

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA

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|---|---|---------------------------|
| CITY OF ANN ARBOR EMPLOYEES' |) | No. 4:08-cv-02348-TLW-TER |
| RETIREMENT SYSTEM, On Behalf of |) | |
| Itself and All Others Similarly Situated, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| vs. |) | |
| |) | |
| SONOCO PRODUCTS CO., HARRIS E. |) | |
| DELOACH JR., and CHARLES J. HUPFER, |) | |
| Defendants. |) | |
| _____ |) | |

**DECLARATION OF JOHN D. FINNERTY, PH. D. IN SUPPORT
OF LEAD PLAINTIFF'S MOTION FOR CLASS CERTIFICATION**

I, John D. Finnerty, declare pursuant to 28 U.S.C. § 1746, as follows:

I. Qualifications

1. My name is John D. Finnerty. I am a Professor of Finance and the former Director of the Master of Science in Quantitative Finance Program in the Graduate School of Business Administration at Fordham University. I was awarded early tenure in 1991, and received the Gladys and Henry Crown Award for Faculty Excellence in 1997. I have published thirteen books, including *Corporate Financial Management*, 3rd ed., *Principles of Financial Management*, and *Debt Management*, and more than 90 articles and professional papers with respect to corporate finance, fixed income, and business and securities valuation. I am the former President and

Director of the Fixed Income Analysts Society, an association of finance professionals based in New York City, and the Chair of the Trustees and a former President of the Eastern Finance Association, an academic finance organization. I am also an editor of FMA Online, a member of the editorial boards of two other finance journals, and a former editor of *Financial Management*, one of the leading academic finance journals. My teaching and research deal mainly with corporate finance, investment banking, and fixed income securities valuation and portfolio management. I have previously published a paper on the calculation of damages in securities fraud cases entitled, “An Improved Two-Trader Model for Measuring Damages in Securities Fraud Class Actions,” which was published in the Spring 2003 issue of the Stanford Journal of Law, Business & Finance. I have extensive experience calculating damages in securities fraud cases.

2. I am also a Managing Principal at Finnerty Economic Consulting, LLC (FinnEcon[®]), which provides financial consulting and valuation services to law firms, corporations, industry associations, and government agencies.
3. Prior to forming FinnEcon[®] in 2003, I was a Managing Principal at Analysis Group, Inc., an economic consulting firm. Prior to joining Analysis Group, I was a Partner (non-audit) in the PricewaterhouseCoopers Financial Advisory Services Group for five years, and previously held investment banking positions at Morgan Stanley, Lazard Frères, McFarland Dewey, and Houlihan Lokey Howard & Zukin.
4. I received a Ph.D. in Operations Research from the Naval Postgraduate School, an M.A. in Economics from Cambridge University where I was a Marshall Scholar, and a B.A. in Mathematics from Williams College. Attached as Appendix A is a

true and correct copy of my current resume, which lists all publications I have written or co-authored and includes a brief description of my trial and deposition testimony within the past four years.

5. My firm is being compensated at a rate of \$650 per hour for my work on this matter, and my compensation is not contingent on my findings or on the outcome of the appraisal process in connection with which I have prepared this expert report.

II. Assignment

6. Coughlin Stoia Geller Rudman & Robbins LLP (“Coughlin Stoia”), counsel for the plaintiffs in this matter, has asked me to perform two tasks: (1) opine on the efficiency of the market for the common stock of Sonoco Products Company (“Sonoco”) during the period extending from February 7, 2007 through September 18, 2007 (the “Class Period”), and (2) conduct appropriate event studies and opine on whether the declines in the price of Sonoco’s common stock on July 20, 2007 and September 18, 2007 (the “Disclosure Period”) were statistically significant.

III. Summary of Opinions

7. I have reached the following opinions after conducting appropriate studies, the results of which are described in this report:
 - The market for the common stock of Sonoco was open, developed, and efficient during the Class Period.
 - The abnormal return of Sonoco’s common stock on July 20, 2007 is -12.63%, and the abnormal return of Sonoco’s common stock on September 18, 2007 is -10.37%. Both abnormal negative returns are highly statistically significant.

8. Appendix B lists the documents I considered in coming to my opinions in this matter.

IV. Market Efficiency

9. An efficient market is one in which “security prices fully reflect all available information.”¹ Stock price movements take place only after someone, on the basis of new information, is able to better assess the value of the asset.² There are three versions of the Efficient Market Hypothesis (“EMH”).³ The weak form of the EMH states that prices reflect all information contained in past trading. The semi-strong form of the EMH holds that stock prices reflect all publicly available information. The strong form of the EMH states that stock prices reflect all public and private information. There is little evidence that the strong form of the EMH holds, and it would be surprising if insiders with possession of material non-public information could not earn abnormal trading profits.⁴
10. The focus of my declaration is on the semi-strong form of the EMH. If a security’s price reflects all public information, an investor can rely on it as the market’s consensus of the security’s fair value. Judge Alfred J. Lechner, Jr, in Cammer v. Bloom,⁵ cited commentators Bromberg & Lowenfels,⁶ (“Bromberg”) in defining certain key terms related to market efficiency:

¹ Elton, Edwin J., Martin J. Gruber, Stephen J. Brown, and William N. Goetzmann, *Modern Portfolio Theory and Investment Analysis*, 6th ed., 2003, page 402.

² Emery, Douglas R., John D. Finnerty, and John D. Stowe, *Corporate Financial Management*, 3rd ed., Prentice Hall, 2007, page 422.

³ Fama, Eugene, “Efficient Capital Markets: A Review of Theory and Empirical Work,” *Journal of Finance*, 25, March 1970, pages 383-417.

⁴ Jaffe, Jeffrey, “Special Information and Insider Trading,” *Journal of Business*, 47, July 1974, pages 410-428, and Lorie James, and Victor Niederhoffer, “Predictive and Statistical Properties of Insider Trading,” *Journal of Law and Economics*, 11, April 1968, pages 91-103.

⁵ Cammer v. Bloom, 711 F. Supp. 1264 (D.N.J. 1989).

- An open market is one in which anyone, or at least a large number of persons, can buy or sell.
- A developed market is one which has a relatively high level of activity and frequency, and for which trading information (e.g., price and volume) is widely available. It is principally a secondary market in outstanding securities. It usually, but not necessarily, has continuity and liquidity (the ability to absorb a reasonable amount of trading with relatively small price changes).
- An efficient market is one which rapidly reflects new information in price. These terms are cumulative in the sense that a developed market will almost always be an open one, and an efficient market will almost invariably be a developed one.⁷

11. The Cammer Court described five factors which should be considered in determining whether a market for a specific security is efficient:

- a. the stock's average trading volume;
- b. the number of securities analysts who follow and report on the stock;
- c. the presence of market makers and arbitrageurs;
- d. the company's eligibility to file a Form S-3 Registration Statement; and
- e. a cause-and-effect relationship, over time, between unexpected corporate events or financial news releases and an immediate response in stock price.⁸

⁶ *Ibid.* at 1276, citing Bromberg & Lownfels, 4 Securities Fraud and Commodities Fraud, § 8.6, August 1988.

⁷ *Ibid.*

⁸ Cammer, at 1286-1287.

12. It is my opinion that the Cammer factors are consistent with the economic literature and provide valuable insight into whether the market for a security is efficient. I examined each of these factors for the markets for the common stock of Sonoco. I also considered the principal markets in which Sonoco's common stock was traded and the amount of shares that were held by institutional investors. Additionally, I tested whether the price of Sonoco's common stock followed a random walk during the Class Period, and I examined the pricing of put and call options and analyzed whether put-call parity held throughout the Class Period. Stock prices should follow a random walk in a efficient market. Put-call parity should hold, at least to a close approximation, if the markets for Sonoco common stock and equity options are efficient.

V. Application of the Cammer Factors to the Market for Sonoco Common Stock
a. Factor 1: Weekly Trading Volume

13. High trading volume is indicative of an efficient market. As stated in Cammer, "The reason the existence of an actively traded market, as evidenced by a large weekly volume of stock trades, suggests there is an efficient market is because it implies significant investor interest in the company. Such interest, in turn, implies a likelihood that many investors are executing trades on the basis of newly available or disseminated corporate information."⁹ According to Bromberg, "Turnover measured by average weekly trading of 2% or more of the outstanding shares would justify a strong presumption that the market for the security is an efficient one; 1% would justify a substantial presumption."¹⁰

⁹ *Id.* at 1286.

¹⁰ *Id.* at 1286, citing Bromberg, et al.

14. During the Class Period, the average weekly reported trading volume for Sonoco's common stock was 2,611,954 shares. (See Exhibits A and B.) Sonoco's weekly trading volume averaged 2.61% of shares outstanding, which provides a strong presumption of a highly liquid and efficient market. The annualized turnover ratio is the annual reported trading volume divided by the number of shares outstanding. A total of 86,015,229 shares were traded during the Class Period and the average number of shares outstanding was 100,035,303 shares. Given that the Class Period was 0.61 years, this represents an annualized turnover ratio of 140.11%. (See Exhibit B.) In comparison, the annualized turnover rate for New York Stock Exchange ("NYSE")-listed common stocks in 2007 was above 100%.¹¹ (See Exhibit C.) The high turnover rate, even in comparison to highly liquid NYSE-listed common stocks, justifies a substantial presumption that the market for Sonoco common stock was efficient during the Class Period.

b. Cammer Factor 2: Stock Analyst Coverage and Market Maker Coverage

15. Securities analysts play a critical role in promoting the efficiency of the securities markets. Analysts devote substantial amounts of time and resources collecting and assessing information regarding the companies they follow. Their ability to provide sophisticated analysis to the public improves the speed at which market prices reflect new information. Within twenty-four hours of a company's earnings release, many stock analysts in an efficient market will have disseminated in-depth research reports.

¹¹ NYSEData.com Factbook – Group Turnover, 2007.

16. During 2007, six firms had analysts that covered the Company.¹² Banc of America Securities, Credit Suisse Securities, KeyBanc Capital Markets, Morgan Stanley, Standard & Poor's and Wachovia Securities all followed Sonoco.¹³

17. The number of stock analysts at leading broker-dealers who covered Sonoco during the Class Period is evidence that the market for Sonoco's common stock was efficient.

c. Cammer Factor Three: Existence of Market Makers, Institutional Investors, and Arbitrageurs

18. Sonoco's common stock was listed on the NYSE during the Class Period. The NYSE works on a specialist system, as contrasted with a market-maker system. However, it is clear that numerous financial entities were actively buying and trading Sonoco common stock during the Class Period. Between 61% and 68% of the shares outstanding were held by institutional investors, as disclosed in Schedule 13-F filings.¹⁴ (See Exhibit D.) As of December 31, 2006, there were 322 institutional holders of Sonoco common stock. By September 30, 2007, there were 307 institutional holders. These institutions actively adjusted their holdings of Sonoco common stock. The sum of the absolute values of the quarterly changes in securities held by each individual institutional shareholder ranged from 11 million shares to 22 million shares. This total significantly underestimates the total volume of trading by these institutional shareholders because it does not take into

¹² Nelson's Directory of Investment Research -- Volume II, 32th ed., Thomson Financial / Nelson, 195 Broadway, New York, 2007.

¹³ *Ibid.*

¹⁴ Capital IQ and 10-K Wizard.

account instances where institutional shareholders bought and sold during the period.

19. Bloomberg reports a total of 189 market makers between February 2007 and September 2007. The high number of market makers facilitating trades is indicative of a liquid and efficient market.¹⁵

d. Cammer Factor Four: Sonoco's Eligibility to File SEC Form S-3

20. The Securities Act of 1933 requires companies to file registration statements prior to the sale of securities to the public. Form S-3 is a simplified form that allows incorporation by reference of Exchange Act reports.¹⁶ Form S-3 is available to large, seasoned companies, and an amendment effective January 28, 2008 now allows for smaller companies to file on Form S-3. The primary requirements are that the issuer has filed all materials required under the Exchange Act for at least twelve months and that the public float of the company's common equity is \$75 million or more. The recent amendment allows companies to issues securities without regard to the size of their public float as long as the new securities do not exceed one-third of their public float over a 12-month period.¹⁷ As stated in the SEC release establishing the requirements for S-3 eligibility, "This form is predicated on the Commission's belief that the market operates efficiently for these companies, i.e., that the disclosure in Exchange Act reports and other

¹⁵ Bloomberg Market Maker Activity (MKAC) displays the total and overall percentage of trading volume by each market maker in the NASDAQ Market Center and Contributing ECNs for a selected NASDAQ, NYSE, or Amex security over a given period.

¹⁶ <http://www.sec.gov/about/forms/forms-3.pdf>.

¹⁷ Securities Act Release No. 33-8878, December 19, 2007.

communications by the registrant, such as press releases, has already been disseminated and accounted for by the market place.”¹⁸

21. Sonoco was eligible to file on Form S-3 throughout the Class Period, and it filed on Form S-3 as early as in September 25, 1996.

22. In 2005, the SEC further liberalized the shelf registration requirements, for “well-known seasoned issuers” that meet certain additional requirements. Registration statements filed by these issuers are automatically effective without SEC review. In addition to the Form S-3 requirements, the issuer must have a public common equity float of at least \$700 million or have issued at least \$1 billion aggregate principal amount of non-convertible debt in the past three years. The market value of Sonoco’ public float exceeded \$3.6 billion throughout the Class Period. (See Exhibit E.) Although this SEC reform took place after the Class Period, it is indicative of the SEC’s view that the market for the common stock of “well-known seasoned issuers” is highly efficient. As stated by the SEC, “Today, the largest issuers are followed by sophisticated institutional and retail investors, members of the financial press, and numerous sell-side and buy-side analysts that actively seek new information on a continual basis. Unlike smaller or less mature issuers, large seasoned public issuers tend to have a more regular dialogue with investors and market participants through the press and media. The communications of these well-known seasoned issuers are subject to scrutiny by investors, the financial

¹⁸ Cammer, at 1284-1285 citing SEC Securities Act Release No. 6331, 46 Red. Reg. 41,902, reprinted in Fed.Sec.L.Rep. (CCH) Spec. Regs. No. 926, extra ed. (Aug. 13, 1981).

press, analysts, and others who evaluate disclosure when it is made.”¹⁹ Sonoco currently qualifies as a “well-known seasoned issuer.”

e. Cammer Factor 5: The Relationship between News and Security Prices

23. I examined the responsiveness of Sonoco’s common stock price to news events to test whether the market for Sonoco’s common stock was efficient during the Class Period. I performed an “event study” to investigate this relationship between Sonoco’s common stock price and news events. An event study is a standard statistical technique that financial economists use to determine whether a security’s reaction to a news announcement (or some other event) is statistically significant. In order to focus on the impact of the company-specific news on the price of a security, one calculates a security’s abnormal return around the time of the announcement. A security’s abnormal return is the difference between the security’s actual return and its expected return. A firm’s expected return is the return one would expect based on general stock market price movements and industry-related factors that are unrelated to the specific event that is being examined, as reflected in the changes in price of stocks of firms in the same industry. Once one has calculated a security’s abnormal returns, one can use standard statistical tests to determine whether these abnormal returns are statistically significant.

24. I calculated the expected return of Sonoco’s common stock by applying the widely accepted Fama-French Three-Factor Model.²⁰ Eugene Fama and Kenneth French

¹⁹ Federal Register, Vol. 70, No. 148, August 3, 2005, page 44,727.

²⁰ Fama, Eugene F., and Kenneth.R. French, “Common Risk Factors in the Returns on Stocks and Bonds,” *Journal of Financial Economics*, 33 (1993), pages 3-56.

developed what is now known as the Fama-French Three-Factor Model in 1993.²¹

The Fama-French Three-Factor Model expresses the excess return on a common stock on day t (R_t) over the return on Treasury bills that day (R_f) in terms of three key factors. This model “has become widely known and adapted.”²² The model identifies the following three factors that explain excess stock returns:

- $R_m - R_f$ – the excess return on the equity market portfolio (R_m) over the return on treasury bills (R_f);
- SMB (“small minus big”) – the difference between the returns on small-capitalization stocks and the returns on large-capitalization stocks; and
- HML (“high minus low”) – the difference between the returns on high book-to-market stocks (value stocks) and the returns on low book-to-market stocks (growth stocks).

25. The regression formula for the Fama-French Three-Factor Model, which is fitted to daily data, is:

$$R_t - R_f = \alpha + \beta(R_m - R_f) + s \text{ SMB} + h \text{ HML} + e \quad (\text{Equation 1})$$

The variables $R_m - R_f$, SMB, and HML are defined in paragraph 23. The coefficients β , s , and h measure the contributions of the respective factors to the excess return on the stock, $R_t - R_f$. The Fama-French Three-Factor Model has become widely accepted for event study analysis.²³ It is a significant improvement over the (unadjusted) Capital Asset Pricing Model (“CAPM”) because it prices the

²¹ *Ibid.*

²² Emery, Douglas R., John D. Finnerty, and John D. Stowe, *Corporate Financial Management*, 3rd ed., Prentice Hall, 2007, page 178.

²³ See, for example, Boehme, Rodney D., and Sorin M. Sorescu, “The Long-run Performance Following Dividend Initiations and Resumptions: Underreaction or Product of Change,” *Journal of Finance*, 57 (2002), pages 871-900, and Ang, James S., and Shaojun Zhang, “An Evaluation of Testing Procedures for Long Horizon Event Studies,” *Review of Quantitative Finance and Accounting*, 23 (2004), pages 251-274.

risks associated with small firm size and financial distress.²⁴ Morningstar's *Cost of Capital Yearbook*, formerly produced by Ibbotson Associates, uses the Fama-French Three-Factor Model, among other models, to calculate the cost of equity capital for firms in various industries.²⁵

26. I modified the Fama-French Three-Factor Model to include the returns of an index of containers and packaging common stocks to take into account the sensitivity of Sonoco's stock price to movements in other containers and packaging companies' stock prices. The regression formula for my Modified Fama-French Three-Factor Model is:

$$R_i - R_f = \alpha + \beta(R_m - R_f) + s \text{ SMB} + h \text{ HML} + i \text{ Industry Index} + e \quad (\text{Equation 2})$$

27. *Industry Index* is the percentage change in the S&P 500 Containers & Packaging Paper Industry Index. The coefficient *i* measures the contribution of industry-wide factors, as measured by the daily percentage change in the S&P 500 Containers & Packaging Paper Industry Index, to the daily excess returns on Sonoco's common stock.²⁶ The members of the S&P 500 Containers & Packaging Paper Industry Index as of February 7, 2007 are: Ball Corporation (BLL), Bemis Company Inc. (BMS), Pactiv Corporation (PTV), Sealed Air Corporation (SEE), and Temple-Inland Inc (TIN).

²⁴ Emery, Douglas R., John D. Finnerty, and John D. Stowe, *Corporate Financial Management*, 3rd ed., Prentice Hall, 2007, page 179.

²⁵ Morningstar, *Cost of Capital 2007 Yearbook*, 2007, page 23.

²⁶ Sonoco compares its stock price performance to the S&P 500 Index and the Dow Jones U.S. Containers & Packaging Group Index in its Form DEF 14A, which it filed with the SEC on March 17, 2006. The Dow Jones U.S. Containers & Packaging Group Index includes Sonoco. In order to effectively measure the contribution of industry-wide factors to Sonoco's stock price movements, it is important to use an industry index of stocks that are comparable to Sonoco but which does not include Sonoco. Sonoco should be excluded from the comparative index in order to avoid the bias that would result from measuring the performance of a stock relative to itself. I therefore used the S&P 500 Containers & Packaging Paper Industry Index, which does not include Sonoco, to adjust for industry-wide factors.

28. Controlling for industry factors that can affect the price of a company's stock is appropriate in an event study, as several articles in the academic and professional literature have previously noted.²⁷ Indeed, academic research has pointed out the importance of making sure that estimates of returns to investors on securities are free of bias when using a market model, such as the Capital Asset Pricing Model or the Three-Factor Fama-French Model, to conduct an empirical study.²⁸
29. I applied the Modified Fama-French Three-Factor Model for every day in the Class Period to test whether the stock market's reactions to Sonoco news events were statistically significant during the Class Period. (See Exhibit F.) In each case, I used a two-tailed test of statistical significance to test the null hypothesis that the abnormal stock market reaction is zero against the alternative hypothesis that the abnormal stock market reaction is different from zero.²⁹ I employed a critical significance level of 10% in performing these tests. This critical significance level is consistent with the general practice in the field of financial economics. I also noted when reporting the results of the statistical testing when the abnormal stock

²⁷ David I. Tabak and Frederick C. Dunbar, "Materiality and Magnitude: Event Studies in the Courtroom," in Roman L. Weil, Michael J. Wagner, and Peter B. Frank, eds., Litigation Services Handbook, 3rd ed., Wiley, New York, 2001, chapter 19. See also Janet C. Alexander, "The Value of Bad News," UCLA Law Review, Vol. 41, August, 1994, pp. 1421-69; Jonathan R. Macey, Geoffrey P. Miller, Mark L. Mitchell, and Jeffry M. Netter, "Lessons from Financial Economics: Materiality, Reliance, and Extending the Reach of Basic v. Levinson," 77 Virginia Law Review Association 1017 (August 1991), pp. 1021-28; A. Craig MacKinlay, "Event Studies in Economics and Finance," Journal of Economic Literature, Vol. 35, March 1997, pp. 13-39; and Mark L. Mitchell and Jeffry M. Netter, "The Role of Financial Economics in Securities Fraud Cases: Applications at the Securities and Exchange Commission," The Business Lawyer, Vol. 49, February 1994, pp. 545-90.

²⁸ Jan Bartholdy and Paula Peare, "Unbiased Estimation of Expected Return Using CAPM," International Review of Financial Analysis (2003), pages 69-81. The article specifically mentions the CAPM but its analysis applies equally to the Three-Factor Fama-French Model because that model is really just an extended version of the CAPM. See Richard A. Brealey, Stewart C. Myers, and Franklin Allen, Principles of Corporate Finance, 9th ed., McGraw-Hill, New York, 2008, pages 225-227.

²⁹ The two-tailed test is conservative because I would normally expect that a corrective disclosure would elicit a negative stock market reaction, in which case the alternative hypothesis is that the abnormal stock market reaction is less than zero and a one-tailed test would seem more appropriate. Thus, the two-tailed test with a 10% critical significance level is equivalent to a one-tailed test with a more conservative 5% critical significance level.

market reaction is significantly different from zero at the 1%, 5%, or 10% significance levels, which is also consistent with the general practice within the field of financial economics.

30. For example, before the market opened on April 2, 2007, Sonoco was upgraded from 'neutral' to 'buy' by analyst George L Staphos at Banc of America.³⁰ I have reviewed the media databases on Bloomberg, Investext, and other news sources for Sonoco-related articles published on April 2, 2007 (including articles published after the opening of the market on April 2, 2007). Based on my review, at least 50% of the articles regarding Sonoco on April 2, 2007 discussed or announced the rating upgrade at Sonoco. No other news item regarding Sonoco received any significant news coverage that day. On April 2, 2007, Sonoco's common stock price rose 4.87%. (See Exhibit F.) I applied the Modified Fama-French Three-Factor Model including the percentage change in the S&P 500 Containers & Packaging Paper Industry Index as an explanatory variable. On April 2, 2007, the abnormal return resulting from the ratings upgrade was 4.13%, which is significant at the 1% level. Such a significance level means that there is less than a 1 in 100 chance that the abnormal return happened by mere chance.

31. As a second example, on April 20, 2007, Sonoco reported first quarter 2007 earnings, and issued a press release entitled "Sonoco Reports First Quarter 2007 Financial Results."³¹ Sonoco hosted a conference call with analysts and investors regarding the first quarter 2007 results that day. Sonoco announced that its earnings per diluted share for the first quarter of 2007 rose 18% over its earning

³⁰ Bloomberg L.P., "Sonoco Products Raised to 'Buy' at Banc of America," April 2, 2007.

³¹ Bloomberg L.P., "Sonoco Reports First Quarter 2007 Financial Results", April 20, 2007.

per diluted share for the first quarter of 2006.³² Sonoco's net income for the first quarter of 2007 increased by 18% as compared to net income for the first quarter of 2006.³³ Based on my review of media databases on Bloomberg, Investext, and other news sources for Sonoco-related articles published on April 20, 2007, at least 90% of the articles regarding Sonoco on April 20, 2007 concerned Sonoco's first quarter 2007 results, Sonoco's related conference call, and Sonoco's stock price movement after the release of its financial results. No other news item regarding Sonoco received any significant news coverage. On April 20, 2007, Sonoco's common stock price rose 8.33%. (See Exhibit F.) I applied the Modified Fama-French Three-Factor Model including the percentage change in the S&P 500 Containers & Packaging Paper Industry Index as an explanatory variable. On April 20, 2007, the abnormal return resulting from the positive earnings report was 7.33%, which is significant at the 1% level. Such a significance level means that there is less than a 1 in 100 chance that the abnormal return happened by mere chance.

32. Prior to the market opening, at 8:00am on July 20, 2007, Sonoco reported its second quarter 2007 earnings by issuing a press release entitled "Sonoco Reports Second Quarter 2007 Financial Results."³⁴ In its press release, Sonoco reported that its earnings per diluted share in the second quarter 2007 decreased by 16% from the earnings per diluted share that Sonoco reported in the second quarter 2006.³⁵ Sonoco also reported that net income for the second quarter 2007

³² *Ibid.*

³³ *Ibid.*

³⁴ Bloomberg L.P., "Sonoco Reports Second Quarter 2007 Financial Results," July 20, 2007.

³⁵ *Ibid.*

decreased 14% as compared to net income in the second quarter of 2006.³⁶ The announcement by Sonoco that its earnings per diluted share decreased to \$.41 per share was a surprise to Wall Street since Sonoco had estimated in its April 20, 2007 press release that its second quarter earnings would be \$.55 to \$.58 per diluted share.³⁷ While the July 20, 2007 press release reiterated Sonoco's unchanged full-year guidance of \$2.36 to \$2.40 diluted earnings per share, Sonoco discussed the Consumer Packing segment and reported that one of the factors that had offset increased sales in the segment was "price reductions in certain flexible packaging without offsetting reductions in costs."³⁸ At 12:18pm, Sonoco hosted a conference call with analysts and investors regarding the second quarter 2007 results.³⁹ On the call, the analyst from Wachovia asked Sonoco's CEO, Harris DeLoach ("DeLoach"), about the price reductions.⁴⁰ DeLoach responded to the analyst by stating that in the third or fourth quarter of 2006, Sonoco gave price reductions on a contract with one of Sonoco's major customers, and he reiterated that the price reductions were already accounted for in the current guidance.⁴¹

33. I have reviewed the media databases on Bloomberg, Investext, and other news sources for Sonoco-related articles published on July 20, 2007. Based on my review, at least 86% of the articles regarding Sonoco on July 20, 2007 concerned Sonoco's second quarter 2007 results, Sonoco's related conference call, and Sonoco's stock price movement after the release of the results. No other news item

³⁶ *Ibid.*

³⁷ Bloomberg L.P., "Sonoco Reports First Quarter 2007 Financial Results," April 20, 2007.

³⁸ Bloomberg L.P., "Sonoco Reports Second Quarter 2007 Financial Results," July 20, 2007.

³⁹ Bloomberg L.P., "Sonoco Products Co. Earnings Teleconference (Transcript) SON US", July 20, 2007.

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

regarding Sonoco received any significant news coverage. On July 20, 2007, Sonoco's common stock price fell 14.22%. (See Exhibit F.) I applied the Modified Fama-French Three-Factor Model including the percentage change in the S&P 500 Containers & Packaging Paper Industry Index as an explanatory variable. On July 20, 2007, the abnormal return resulting from Sonoco's announcement was -12.63%, which is significant at the 1% level. Such a significance level means that there is less than a 1 in 100 chance that the abnormal return happened by mere chance.

34. Before the market opened on September 18, 2007, Sonoco lowered its earnings guidance in a press release, "Sonoco Lowers Base Earnings Guidance for Third Quarter and Full Year 2007."⁴² Sonoco's revised earnings guidance of \$.55 to \$.58 is \$.07 lower than the guidance Sonoco provided on July 20, 2007.⁴³ The revised earnings guidance surprised Wall Street and resulted in Sonoco's stock price falling 7.29%. (See Exhibit F.) Based on my review of Sonoco-related articles published on September 18, 2007, at least 65% of the articles referenced Sonoco's revised earnings guidance. I applied the Modified Fama-French Three-Factor Model including the percentage change in the S&P 500 Containers & Packaging Paper Industry Index as an explanatory variable. On September 18, 2007, the abnormal return resulting from the news about Sonoco was -10.37%. The abnormal return on September 18, 2007 is significant at the 1% level. Such a significance level means that there is less than a 1 in 100 chance that the abnormal return happened by mere chance.

⁴² Bloomberg L.P., "Sonoco Lowers Base Earnings Guidance for Third Quarter and Full Year 2007," September 18, 2007.

⁴³ *Ibid.*

VI. Additional Factors Considered

a. Sonoco's NYSE Listing

35. Sonoco's common stock traded on the NYSE throughout the Class Period. The NYSE is the world's largest and most liquid stock exchange. Its infrastructure and participants allow it to provide a reliable, liquid, and efficient marketplace. Its stringent listing standards insure that issuers are large enough to generate a liquid market, and its regulations insure that material company information is disclosed promptly to investors. In general, to be listed on the NYSE, the market capitalization of publicly held equity must exceed \$40 million.⁴⁴

36. As Bromberg stated:

[A]t a minimum, there should be a presumption – probably conditional for class determination – that certain markets are developed and efficient for virtually all securities traded there: the New York and American Stock Exchanges, the Chicago Board Options Exchange and the Nasdaq National Market System.⁴⁵

Sonoco's listing on the NYSE is strong evidence that the market for its common stock was efficient during the Class Period.

b. Institutional Ownership

37. As previously discussed, institutional investors owned a substantial portion of Sonoco's common stock during the Class Period. As of December 31, 2006, 61% of Sonoco's common stock was held by institutional shareholders.⁴⁶ As of September 30, 2007, this percentage had increased to 65%.⁴⁷ (See Exhibit D.) High levels of institutional ownership and the active trading by these holders is

⁴⁴ The New York Stock Exchange Listed Company Manual.

⁴⁵ Cammer at 1292, citing Bromberg.

⁴⁶ Capital IQ and 10-K Wizard.

⁴⁷ *Ibid.*

further evidence that the market for the Sonoco's common stock was efficient during the Class Period.

c. Bid-Ask Spread

38. As noted, Sonoco's common stock was also traded on the Nasdaq during the Class Period. The average bid-ask spread for Sonoco's common stock, according to CRSP data, was 0.15% during the Class Period, which is a very narrow spread. Such a narrow bid-ask spread is indicative of a liquid and efficient market for the stock.

d. Put-Call Parity

39. Put-call parity is a relationship that exists in an efficient market between the prices of a company's put and call options and its common stock. Testing whether put-call parity exists can assist in determining whether the market for a stock is efficient.

40. A holder of an equity call option has the right to purchase the underlying stock at a specified price (the "Strike Price" or "Exercise Price"). A holder of an equity put option has the right to sell the underlying stock at a specified Exercise Price. In an efficient market, a relationship called *put-call parity* should hold. If put-call parity holds, the price of the put option ("P") will equal the price of the call option ("C") minus the price of the underlying stock ("S₀") plus the present value of the exercise price ("PV(X)") plus the present value of the dividends expected to be paid during the remaining duration of the option ("PV(dividends)"), or in equation form:

$$P = C - S_0 + PV(X) + PV(\text{dividends}). \quad (\text{Equation 3})$$

In this equation, the put and call options have the same Exercise Price and expiration date. Rearranging this equation to express the share price produces the following equation:

$$S_o = C - P + PV(X) + PV(dividends). \quad (\text{Equation 4})$$

41. If this relationship does not hold, arbitrageurs should be able to earn riskless profits by buying the relatively cheap assets and selling the relatively expensive ones. Academics have argued that in certain situations, short sale restrictions have limited the ability of arbitrageurs to take advantage of the mispricing of assets.⁴⁸ In particular, it has been argued that if investors are limited in their ability to sell the stock short, then there will be a tendency for the left-hand side of Equation 4 to be greater than the right-hand side.

42. Using option pricing data obtained from the HistoricalOptionData.com database and common stock pricing data obtained from Bloomberg, L.P., I was able to examine whether put-call parity held for Sonoco during the Class Period.⁴⁹ I matched calls and puts based on their Exercise Prices and expiration dates. I took the average of the best last bid and best last ask quotes to estimate the price of the calls and puts. For the price of the stock, I used the stock's last traded price.

Dividends were set equal to the expected dividends received during the life of the

⁴⁸ Eli Ofek, Matthew P. Richardson, and Robert F. Whitelaw, "Limited Arbitrage and Short Sales Restrictions: Evidence from the Options Markets," *Journal of Financial Economics*, 74, 2004, pages 305-342, and Evans, Richard B., Christopher C. Gezvy, David K. Musto, and Adam V. Reed, "Failure is an Option: Impediments to Short Selling and Option Prices," *Review of Financial Studies*, 22 (5), 2009, pages 1955-1980. [hereinafter Evans, et al., is referred to as *Failure is an Option*].

⁴⁹ Market makers change their bid and ask quotes each time the underlying stock price changes. Consequently, there are bid and ask quotes regardless of the number of contracts traded each day. Bid and ask quotes come from the NBBO data (National Best Bid and Offer).

option. The dividends and the Exercise Price were discounted using interpolated yields on treasury strips obtained from Bloomberg, L.P. To improve the quality of the data, I deleted options with less than six calendar days to maturity or greater than 180 calendar days to maturity and options with a price less than \$0.375.⁵⁰

43. After applying these filters, I was left with 632 pairs and a total of 2,127 put option and call option contracts. I calculated the put-call parity violation for each of these pairs using the following equation:

$$Put - Call Parity Violation = \frac{[S_o - C + P - PV(X) - PV(dividends)]}{S_o} \quad (\text{Equation 5})$$

The average put-call parity violation for the Class Period was -0.071%. The average Sonoco put-call parity violation is smaller than that found in published academic research. The authors of *Failure is an Option* found that the average put-call parity violation for 4.5 million pairs traded during 1998 and 1999 was 0.36%.

44. The authors of “Limited Arbitrage and Short Restrictions: Evidence from the Options Market” analyzed 80,614 option pairs between July 1999 and November 2001. They measured put-call parity violations by calculating the ratio $R = 100 \ln(S/S^*)$, where S is the stock price and S^* is the price predicted by put and call option prices. The average R for their sample was 0.30. The average R for my sample of Sonoco pairs is -0.070. The test results reported in Exhibit G show that the put-call parity relationship held for Sonoco stock throughout the Class Period. In particular, there is no evidence that stock prices tended to be too high due to limits on short sales or any other restrictions on trading that might otherwise impair market efficiency.

⁵⁰ These filters were applied in *Failure is an Option*, page 1960.

45. I also examined the average absolute value of Put-Call Parity Violations, which was 0.390%. The average bid-ask spread for call and put options written on Sonoco's stock was 32.19% during the Class Period. Thus, an average absolute value of 0.390% for the Put-Call Parity Violations is very reasonable in light of the average bid-ask spreads and is consistent with the market for Sonoco's common stock being efficient during the Class Period. (See Exhibit G.)
46. I also examined those options that were trading "near the money."⁵¹ These options had exercise prices near the price of the stock. The results are roughly the same for this sub-sample as for the overall sample. The Average Put-Call Parity Violation was -0.017%, and the Average Absolute Value Put-Call Parity Violation was 0.308%. These test results are consistent with market efficiency. (See Exhibit G.)
47. The fact that the Put-Call Parity relationship held so closely during the Class Period suggests that Sonoco's stock price fairly reflected its intrinsic value, as would be expected in an efficient market. This is further evidence that the market for Sonoco common stock was efficient during the Class Period.

e. Consideration of Possible Short-Sale Constraints

48. I also examined whether short-sale constraints might have impeded market efficiency during the Class Period.⁵² For the NYSE, short interest as a percentage of shares outstanding ranged from 2.6% to 3.1% during the Class Period. Sonoco's short interest as a percentage of shares outstanding ranged from 0.5% to only 1.7% during the Class Period. (See Exhibit H.) Such low levels of short

⁵¹ The sample was restricted to those pairs for which $-0.1 < \ln(S_0/\text{Exercise Price}) < 0.1$. This filter is discussed in Ofek, *et al.*, page 340.

⁵² Battalio, Robert and Paul Schultz, "Options and the Bubble," *Journal of Finance*, 2006, pages 2071-2102.

interest suggest that short-sale constraints did not exist during the Class Period and are therefore consistent with market efficiency.

f. Random Walk Tests

49. Parametric tests examine whether there is any serial correlation evident in stock price movements.⁵³ Parametric tests make certain assumptions about the stock returns that are inconsistent with actual stock returns. For example, the conventional regression test makes the assumption that stock returns are normally distributed, which allows for outcomes between negative and positive infinity.⁵⁴ However, stock returns are bounded below by returns of -100%, since stock prices cannot fall below zero. Therefore, the basic assumption underlying the conventional regression test does not fit the data. Non-parametric tests, which are distribution-free, should therefore be used to perform the random walk tests when examining market efficiency.

50. I ran two non-parametric statistical sign tests to investigate whether the Sonoco stock returns followed a random walk during the Class Period.⁵⁵ There is an

⁵³ Fama, Eugene F. and Kenneth R. French, "Permanent and Temporary Components of Stock Prices," *Journal of Political Economy*, 96, 1988, pages 246-273.

⁵⁴ There is an extensive academic literature that furnishes evidence that stock returns are not normally distributed. One of the most often cited papers in this literature is Fama, Eugene, "The Behavior of Stock Prices," *Journal of Business*, 38, 1965, pages 34-105.

⁵⁵ I also ran two sets of parametric tests, a regression test for serial correlation between Sonoco's daily raw returns and prior day raw returns and the Portmanteau test (Q-Test), to examine whether there is any serial correlation evident in Sonoco's stock returns during the Class Period. Both sets of tests produced results that were marginally significant at the 10% level, suggesting some limited evidence of serial correlation. For each set of tests, I first tested Sonoco's returns and then I tested the excess returns from the Modified Fama-French Model. In performing the regression test, I first regressed the raw returns on Sonoco's stock against Sonoco's prior day returns. This test resulted in a beta of -0.15, a t-statistic of -1.79, and a p-value of 0.075, which is marginally significant at the 10% level. I also regressed the residuals (or excess returns) estimated from the Modified Fama-French Three-Factor Model against Sonoco's prior day residuals. This test resulted in a beta of -0.17, a t-statistic of -1.89, and a p-value of 0.061, which is also marginally significant at the 10% level. The Portmanteau test (or Q-test) I ran examined whether there is any serial correlation between Sonoco returns and Sonoco's prior daily returns based on one, two, and three-day lags. Using Sonoco's raw returns, the Q-tests for one, two, and three-day lags are 2.97, 3.82,

extensive financial literature on the use of non-parametric sign tests of market efficiency and the random walk of stock returns.⁵⁶ In an efficient market, the stock price follows a random walk. Consequently, the returns on successive days are independent of one another, and the probability of an increase in price and the probability of a decrease in price should be equal and independent of past returns. However, as pointed out by Professor Eugene Fama in his seminal paper on the behavior of stock prices, “Now in fact we can probably never hope to find a time series [of stock prices] that is characterized by *perfect* independence. Thus, strictly speaking, the random walk theory cannot be a completely accurate description of reality. For practical purposes, however, we may be willing to accept the independence assumption of the model as long as the dependence in the series of successive price changes is not above some ‘minimum acceptable’ level.”⁵⁷

51. The McNemar test is used to determine whether there is an equal probability that a positive (negative) return today is followed by a negative (positive) return tomorrow.⁵⁸ In an efficient market where stock prices exhibit a random walk, the

and 4.49, respectively, and their p-values are 0.085, 0.148, and 0.213, respectively. Only the one-day lag on Sonoco’s raw returns is significant at the 10% level. Using the residuals (or excess returns) from the Modified Fama-French Three-Factor Model, the Q-test results for one, two, and three-day lags are 2.87, 3.03, and 3.03, respectively, and their p-values are 0.090, 0.220, and 0.388, respectively. Only the one-day lag on Sonoco’s excess returns is significant at the 10% level. As I have noted in the text, these parametric tests are potentially biased because stock returns are not normally distributed. In any case, the parametric test results are, at best, only weakly significant statistically, and in my opinion they are outweighed by the other evidence cited in this report that supports the efficiency of the market for Sonoco’s common stock during the Class Period.

⁵⁶ For a survey of this literature, see Dufour, Jean-Marie, Y. Lepage, and H. Zeidan, “Nonparametric Testing for Time Series: A Bibliography,” *Canadian Journal of Statistics*, 10 (1), 1982, pages 1-38.

⁵⁷ Fama, Eugene, “The Behavior of Stock Prices,” *Journal of Business*, 38, 1965, page 35.

⁵⁸ R. Mittsdorffer and J. Diederich, “Prediction of First Day Returns of Initial Public Offering in the US Stock Market Using Rule Extraction from Support Vector Machines,” *Studies in Computational Intelligence (SCI)*, 80, 2008, pages 185–203; Hunsader, Kenneth J., “Two Essays on the Strategic Aspects of Information Release,” Doctoral Dissertation, Florida State University, Spring 2005; Dufour, Jean-Marie, Y. Lepage, and H. Zeidan, “Nonparametric Testing for Time Series: A Bibliography,” *Canadian Journal of Statistics*, 10 (1), 1982, pages 1–38.

probabilities of both events happening should be the same. As shown in Exhibit I, there are 41 observations where a positive return today is followed by a negative return tomorrow and 41 observations where a negative return today is followed by a positive return tomorrow. The McNemar Statistic, revised to correct for discontinuity, is 0.0122 with a p-value of 0.9121. Therefore, the null hypothesis that the probabilities of a positive (negative) return today followed by a negative (positive) return tomorrow are equal cannot be rejected. This result is consistent with a random walk time series of stock prices and reaffirms my conclusion that Sonoco's stock traded in an efficient market during the Class Period.

52. The second non-parametric test I performed is also designed to determine whether Sonoco's stock price followed a random walk during the Class Period is the Wilcoxon signed-rank test.⁵⁹ The Wilcoxon signed-rank test examines whether there is an equal probability that a positive (negative) return today is followed by a negative (positive) return tomorrow. This test is different from the McNemar Test because it accounts for both the direction and size of the return changes. The median difference between consecutive daily returns should be zero in a random-walk series. As shown in Exhibit I, the Wilcoxon t-statistic is 0.5761 and the p-value is 0.5645. Therefore, the null hypothesis that the median difference in consecutive daily returns is zero cannot be rejected. This result is consistent with a random walk time series of stock prices and reaffirms my conclusion that Sonoco's stock traded in an efficient market during the Class Period.

⁵⁹ Lugar, Richard, "Exact Nonparametric Tests for a Random Walk With Unknown Drift Under Conditional Heteroskedasticity," Research Department, Bank of Canada, pages 2–3; Campbell, B. and Jean-Marie Dufour, "Exact Nonparametric Orthogonality and Random Walk Tests," *Review of Economics and Statistics*, 77, February 1995, pages 1–16.

VII. Conclusion

53. It is my opinion that the market for the common stock of Sonoco was efficient during the Class Period. This opinion concerning Sonoco's common stock is based on the common stock's high volume of trading, the number of security analysts following Sonoco, the presence of market makers and arbitrageurs, Sonoco's eligibility to file registration statements on Form S-3, the demonstrable relationship between the release of Sonoco-specific news and the prompt price reactions of Sonoco's common stock, the fact that Sonoco's common stock trades on the highly liquid NYSE, the substantial number of shares held and traded by institutional investors, the stable relationship between Sonoco's common stock price and the prices of call and put options on its common stock, which conforms to put-call parity and the evidence that Sonoco's common stock price followed a random walk during the Class Period.
54. It is my opinion that Sonoco's common stock price declines on July 20, 2007 and September 18, 2007 were highly statistically significant. This opinion is based on the statistical significance of the negative abnormal returns on each of these days according to my event studies and my analysis of other company news and intra-day stock price movements.
55. My analysis is based on the materials I have reviewed to date. I reserve the right to amend my opinion and file a supplemental declaration in this matter should I obtain any other significant information that leads me to change any of the opinions expressed in this declaration. To the extent this matter is adjourned for any reason, I further reserve the right to supplement this declaration.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed: November 16, 2009

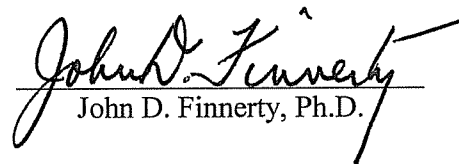

John D. Finnerty, Ph.D.

Exhibit A
Sonoco Products Co.
Daily Stock Price and Volume Movement
During the Class Period (February 7, 2007 - September 18, 2007)

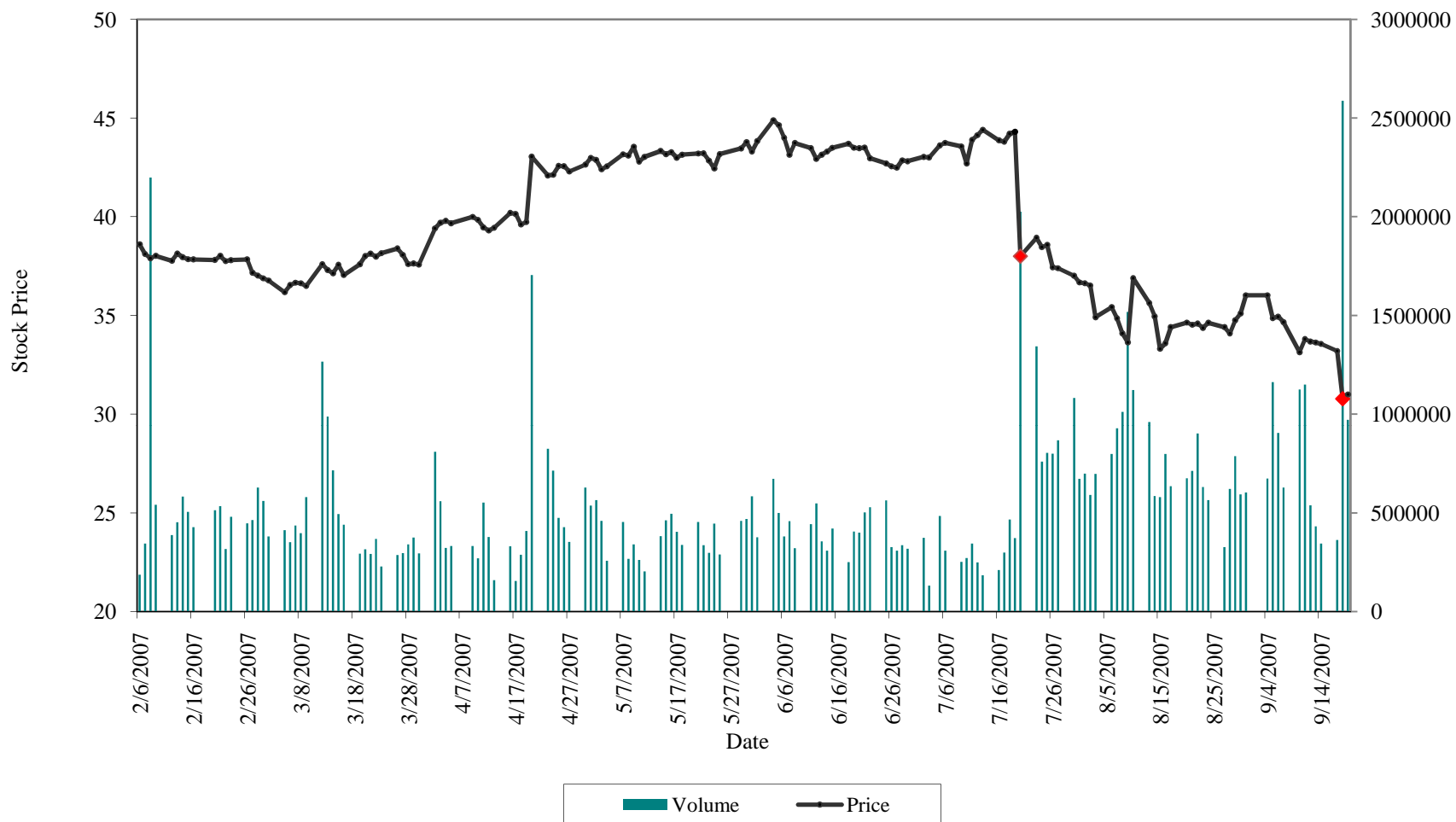


Exhibit B

Sonoco Products Company

Common Stock Trading Volume and Share Turnover

| | Weekly Volume of Shares Traded ^[1] | Weekly Volume as % of Shares Outstanding |
|---------|--|---|
| Mean | 2,611,954 | 2.61% |
| Median | 2,344,668 | 2.35% |
| Minimum | 1,299,000 | 1.30% |
| Maximum | 5,378,581 | 5.33% |

Share Turnover during Class Period

| | |
|---|-------------|
| Volume (2/7/2007 - 9/18/2007) | 86,015,229 |
| Average Shares Outstanding during Class Period | 100,035,303 |
| Time Period (yrs) | 0.61 |
| Annualized Turnover Rate during Class Period ^[2] | 140.11% |

Notes:

^[1] Statistics include those weeks that are fully contained in the Class Period.

^[2] Turnover during Class Period is calculated as Total Volume (in Class Period) divided by Average Shares Outstanding during Class Period divided by Time Period (in years).

Sources: Bloomberg L.P. and 10-K Wizard.

Exhibit C**NYSE Common Stock Annualized Turnover Rates in 2007**

| Month | NYSE Group Annualized Monthly Turnover ^[1] | NYSE Group Year to Date Annualized Turnover ^[2] |
|--------------|--|---|
| January | 121.0% | 121.0% |
| February | 117.0% | 119.0% |
| March | 128.0% | 123.0% |
| April | 114.0% | 121.0% |
| May | 118.0% | 120.0% |
| June | 128.0% | 121.0% |
| July | 131.0% | 123.0% |
| August | 154.0% | 127.0% |
| September | 108.0% | 125.0% |
| October | 110.0% | 123.0% |
| November | 136.0% | 125.0% |
| December | 107.0% | 123.0% |

Notes:

^[1] Annualized turnover for a given month is calculated by multiplying the Average Daily Volume for the month by the number of trading days in the current year and dividing by the Total Shares Outstanding at the end of the month.

^[2] Year-to-date turnover is calculated by multiplying the year-to-date Average Daily Volume by the number of trading days in the current year and dividing by the average of Total Shares Outstanding at the end of the previous year and Total Shares Outstanding at the end of the given month.

Source: NYSEData.com Factbook - Group Turnover, 2007

Exhibit D

Sonoco Products Company - Quarterly Holdings during the Class Period ^[1]

Shares Outstanding as of December 31, 2006: 99,500,418

| Rank | Holder | Shares Held | Percent of Shares Outstanding | Change in Securities Held ^[2] |
|-------|---|----------------|-------------------------------------|--|
| 1 | Barclays Global Investors UK Holdings Limited | 5,192,992 | 5.22% | - |
| 2 | Capital Research and Management Company | 4,849,000 | 4.87% | 787,400 |
| 3 | Atlantic Investment Management, Inc. | 4,347,800 | 4.37% | 1,817,200 |
| 4 | State Street Global Advisors, Inc. | 3,861,198 | 3.88% | 35,224 |
| 5 | Deutsche Asset Management Group | 2,872,156 | 2.89% | 94,410 |
| 6 | The Vanguard Group, Inc. | 2,152,324 | 2.16% | 97,517 |
| 7 | AllianceBernstein L.P. | 1,948,664 | 1.96% | - |
| 8 | WEDGE Capital Management L.L.P. | 1,819,750 | 1.83% | 855,775 |
| 9 | Allianz of America, Inc. | 1,174,000 | 1.18% | - |
| 10 | Cadence Capital Management LLC | 1,150,500 | 1.16% | 4,100 |
| | 312 Other Institutional Holders | 30,950,401 | 31.11% | 7,639,990 |
| Total | | 60,318,785 | 60.62% | 11,331,616 |

Shares Outstanding as of March 31, 2007: 100,003,445

| Rank | Holder | Shares Held | Percent of Shares Outstanding | Change in Securities Held ^[2] |
|-------|---|----------------|-------------------------------------|--|
| 1 | Barclays Global Investors UK Holdings Limited | 10,193,157 | 10.19% | 5,000,165 |
| 2 | State Street Global Advisors, Inc. | 3,922,175 | 3.92% | 60,977 |
| 3 | Capital Research and Management Company | 2,484,000 | 2.48% | 2,365,000 |
| 4 | Capital Group International Inc. | 2,484,000 | 2.48% | 2,484,000 |
| 5 | The Vanguard Group, Inc. | 2,180,297 | 2.18% | 27,973 |
| 6 | BNY Mellon Asset Management | 2,175,199 | 2.18% | 1,680,228 |
| 7 | Deutsche Asset Management Group | 1,983,381 | 1.98% | 888,775 |
| 8 | AllianceBernstein L.P. | 1,948,664 | 1.95% | - |
| 9 | WEDGE Capital Management L.L.P. | 1,903,580 | 1.90% | 83,830 |
| 10 | Mellon Capital Management Corporation | 1,686,290 | 1.69% | 1,682,359 |
| | 316 Other Institutional Holders | 37,513,010 | 37.51% | 18,476,529 |
| Total | | 68,473,753 | 68.47% | 32,749,836 |

Shares Outstanding as of June 30, 2007: 100,919,886

| Rank | Holder | Shares Held | Percent of Shares Outstanding | Change in Securities Held ^[2] |
|-------|---|----------------|-------------------------------------|--|
| 1 | Barclays Global Investors UK Holdings Limited | 12,047,551 | 11.94% | 1,854,394 |
| 2 | State Street Global Advisors, Inc. | 3,991,721 | 3.96% | 69,546 |
| 3 | Capital Research and Management Company | 2,484,000 | 2.46% | - |
| 4 | BNY Mellon Asset Management | 2,374,806 | 2.35% | 199,607 |
| 5 | The Vanguard Group, Inc. | 2,208,034 | 2.19% | 27,737 |
| 6 | AllianceBernstein L.P. | 1,948,664 | 1.93% | - |
| 7 | WEDGE Capital Management L.L.P. | 1,832,820 | 1.82% | 70,760 |
| 8 | Mellon Capital Management Corporation | 1,814,670 | 1.80% | 128,380 |
| 9 | American Century Investment Management Inc. | 1,694,095 | 1.68% | 1,557,301 |
| 10 | Charles Schwab Investment Management, Inc. | 1,578,136 | 1.56% | 517,666 |
| | 337 Other Institutional Holders | 36,026,439 | 35.70% | 11,195,704 |
| Total | | 68,000,936 | 67.38% | 15,621,095 |

Shares Outstanding as of September 30, 2007: 99,424,809

| Rank | Holder | Shares Held | Percent of Shares Outstanding | Change in Securities Held ^[2] |
|-------|---|----------------|-------------------------------------|--|
| 1 | Barclays Global Investors UK Holdings Limited | 10,193,157 | 10.25% | 1,854,394 |
| 2 | State Street Global Advisors, Inc. | 4,197,718 | 4.22% | 205,997 |
| 3 | Deutsche Asset Management Group | 2,891,710 | 2.91% | 1,504,352 |
| 4 | BNY Mellon Asset Management | 2,599,780 | 2.61% | 224,974 |
| 5 | The Vanguard Group, Inc. | 2,498,718 | 2.51% | 290,684 |
| 6 | Capital Research and Management Company | 2,484,000 | 2.50% | - |
| 7 | WEDGE Capital Management L.L.P. | 2,177,230 | 2.19% | 344,410 |
| 8 | AllianceBernstein L.P. | 1,948,664 | 1.96% | - |
| 9 | Mellon Capital Management Corporation | 1,939,792 | 1.95% | 125,122 |
| 10 | Bernzott Capital Advisors | 1,394,244 | 1.40% | 158,475 |
| | 297 Other Institutional Holders | 32,723,106 | 32.91% | 17,312,635 |
| Total | | 65,048,119 | 65.42% | 22,021,043 |

Notes:

^[1] Class period is between February 7, 2007 and September 18, 2007.^[2] Change in Securities Held is the sum of the absolute value of the change in shares held by each individual institutional holder.

Sources: Capital IQ and 10-K Wizard.

Exhibit E

**Market Value of the Public Float in Sonoco Products Company
Common Stock during the Class Period ^[1]**

| Date ^[2] | Shares Held by Insiders ^[3] | Shares Outstanding ^[4] | Stock Price ^[5] | Public Float (Shares) | Market Value of Public Float |
|----------------------------|---|--|---------------------------------------|----------------------------------|---|
| 12/29/2006 | 2,424,512 | 99,500,418 | \$ 38.06 | 97,075,906 | \$ 3,694,708,982 |
| 3/30/2007 | 2,710,745 | 100,003,445 | 37.58 | 97,292,700 | 3,656,259,666 |
| 6/29/2007 | 1,851,302 | 100,919,886 | 42.81 | 99,068,584 | 4,241,126,081 |
| 9/28/2007 | 1,851,302 | 99,424,809 | 30.18 | 97,573,507 | 2,944,768,441 |
| Average | 2,209,465 | 99,962,140 | \$ 37.16 | 97,752,674 | \$ 3,634,215,793 |

Notes:

^[1] Class period is between February 7, 2007 and September 18, 2007.

^[2] Last trading day of the quarter.

^[3] Shares held by insiders from Capital IQ.

^[4] Shares outstanding from 10-K Wizard.

^[5] Stock price from Bloomberg LP.

Sources:

Bloomberg LP, Capital IQ, and 10-K Wizard.

Exhibit F
Sonoco Products Co.
Regression Results for the Modified Fama-French Model
Including the S&P500 Industry Index as an Explanatory Variable
Page 1 of 4

| Fitting the Modified Fama-French Three-Factor Model | | | | |
|--|--|-----------------------|--|--------------------|
| Regression: | $R_{SON} - R_F = \beta_0 + \beta_1(Mkt - R_F) + \beta_2(SMB) + \beta_3(HML) + \beta_4(S\&P500 \text{ Industry Index})$ | | | |
| Regression Period: | 2/1/2006 to 1/31/2007 | | | |
| Observations: | 251 | | | |
| | <u>Coefficient</u> | <u>Standard Error</u> | <u>t-Statistic</u> | <u>Probability</u> |
| β_0 | 0.00027 | 0.00069 | 0.38659 | 0.69939 |
| β_1 | 0.43259 | 0.17483 | 2.47431 | 0.01402 |
| β_2 | 0.09391 | 0.20315 | 0.46226 | 0.64431 |
| β_3 | 0.06836 | 0.29038 | 0.23541 | 0.81409 |
| β_4 | 0.46479 | 0.10772 | 4.31477 | 0.00002 |
| R-squared | 0.31164 | | Mean dependent variance | 0.00076 |
| Adjusted R-squared | 0.30045 | | Standard deviation of dependent variable | 0.01275 |
| Standard error of regression | 0.01067 | | Akaike info criterion | -6.22362 |
| Sum of squared residuals | 0.02799 | | Schwarz criterion | -6.15340 |
| Log likelihood | 786.06492 | | Hannan-Quinn criter | -6.19536 |
| F-statistic | 27.84255 | | Durbin-Watson stat | 2.05106 |
| Probability (F-statistic) | 0.00000 | | | |

Note:

Market is the return on a value-weighted index of NYSE, AMEX, and NASDAQ stocks. SMB (Small Minus Big) and HML (High Minus Low) are defined by Fama and French. R_F is the one month treasury bill rate. S&P500 Industry Index is the return on the S&P500 Containers & Packaging Paper Industry Index ("S5CONP Index"). The members as of the February 7, 2007 are Ball Corporation (BLL), Bemis Company Inc. (BMS), Pactiv Corporation (PTV), Sealed Air Corporation (SEE), and Temple-Inland Inc (TIN).

Exhibit F

Sonoco Products Co.

Regression Results for the Modified Fama-French Model Including the S&P500 Industry Index as an Explanatory Variable

Page 2 of 4

| Calculation of the Abnormal Return | | | | | | | | | | | |
|------------------------------------|-----------|---------------|--------|--------|--------|----------------|----------------------------------|-----------------|-------------|---------|--------------------|
| Regression Input | | | | | | | Modified FFM: Custom Index Added | | | | |
| Date | SON Price | Actual Return | Mkt-RF | SMB | HML | Industry Index | Predicted Return | Abnormal Return | t-statistic | p-value | Sig ^[1] |
| 2/7/2007 | 38.11 | -1.27% | 0.20% | 0.40% | -0.06% | -0.17% | 0.07% | -1.34% | -1.2545 | 0.2109 | |
| 2/8/2007 | 37.90 | -0.55% | -0.07% | 0.22% | -0.14% | -0.34% | -0.15% | -0.40% | -0.3742 | 0.7086 | |
| 2/9/2007 | 38.02 | 0.32% | -0.71% | -0.30% | 0.18% | -0.27% | -0.42% | 0.74% | 0.6909 | 0.4903 | |
| 2/12/2007 | 37.77 | -0.66% | -0.41% | 0.22% | 0.13% | -0.33% | -0.27% | -0.38% | -0.3587 | 0.7201 | |
| 2/13/2007 | 38.14 | 0.98% | 0.78% | -0.18% | 0.37% | 2.03% | 1.32% | -0.34% | -0.3163 | 0.7521 | |
| 2/14/2007 | 37.95 | -0.50% | 0.71% | -0.50% | -0.16% | 0.68% | 0.59% | -1.09% | -1.0239 | 0.3069 | |
| 2/15/2007 | 37.85 | -0.26% | 0.15% | 0.17% | -0.43% | 0.11% | 0.13% | -0.39% | -0.3681 | 0.7131 | |
| 2/16/2007 | 37.84 | -0.03% | 0.03% | 0.26% | 0.06% | 0.76% | 0.42% | -0.45% | -0.4204 | 0.6745 | |
| 2/20/2007 | 37.81 | -0.08% | 0.34% | 0.61% | -0.21% | 1.34% | 0.84% | -0.92% | -0.8619 | 0.3896 | |
| 2/21/2007 | 38.02 | 0.56% | -0.05% | 0.28% | -0.10% | 0.38% | 0.20% | 0.35% | 0.3309 | 0.7410 | |
| 2/22/2007 | 37.75 | -0.71% | -0.06% | 0.35% | -0.09% | -0.41% | -0.16% | -0.55% | -0.5134 | 0.6081 | |
| 2/23/2007 | 37.80 | 0.13% | -0.28% | 0.12% | -0.16% | 0.07% | -0.06% | 0.20% | 0.1832 | 0.8548 | |
| 2/26/2007 | 37.84 | 0.11% | -0.15% | -0.16% | 0.23% | 2.96% | 1.34% | -1.23% | -1.1533 | 0.2499 | |
| 2/27/2007 | 37.16 | -1.80% | -3.43% | -0.05% | -0.06% | -3.34% | -3.02% | 1.22% | 1.1452 | 0.2533 | |
| 2/28/2007 | 37.02 | -0.38% | 0.45% | -0.50% | 0.29% | 0.34% | 0.35% | -0.73% | -0.6851 | 0.4939 | |
| 3/1/2007 | 36.88 | -0.38% | -0.30% | -0.09% | 0.16% | -0.32% | -0.25% | -0.13% | -0.1194 | 0.9050 | |
| 3/2/2007 | 36.77 | -0.30% | -1.27% | -0.56% | 0.12% | -1.30% | -1.17% | 0.87% | 0.8167 | 0.4149 | |
| 3/5/2007 | 36.18 | -1.60% | -1.22% | -0.64% | -0.19% | -1.24% | -1.15% | -0.45% | -0.4237 | 0.6722 | |
| 3/6/2007 | 36.54 | 1.00% | 1.65% | 0.59% | -0.03% | 0.68% | 1.11% | -0.11% | -0.1069 | 0.9150 | |
| 3/7/2007 | 36.66 | 0.33% | -0.15% | -0.08% | 0.07% | -0.79% | -0.41% | 0.74% | 0.6909 | 0.4903 | |
| 3/8/2007 | 36.63 | -0.08% | 0.70% | -0.10% | 0.08% | 1.32% | 0.94% | -1.02% | -0.9586 | 0.3387 | |
| 3/9/2007 | 36.49 | -0.38% | 0.14% | 0.28% | 0.15% | 0.11% | 0.17% | -0.56% | -0.5219 | 0.6022 | |
| 3/12/2007 | 37.60 | 3.04% | 0.29% | 0.22% | -0.06% | 0.33% | 0.32% | 2.72% | 2.5508 | 0.0114 | ** |
| 3/13/2007 | 37.30 | -0.80% | -2.03% | -0.21% | 0.02% | -2.11% | -1.85% | 1.05% | 0.9875 | 0.3243 | |
| 3/14/2007 | 37.14 | -0.43% | 0.52% | 0.09% | -0.06% | 0.97% | 0.71% | -1.14% | -1.0664 | 0.2873 | |
| 3/15/2007 | 37.56 | 1.13% | 0.46% | 0.46% | 0.09% | 0.32% | 0.43% | 0.71% | 0.6613 | 0.5090 | |
| 3/16/2007 | 37.05 | -1.36% | -0.38% | -0.10% | -0.19% | -0.30% | -0.30% | -1.06% | -0.9941 | 0.3212 | |
| 3/19/2007 | 37.59 | 1.46% | 1.09% | -0.14% | 0.02% | 1.49% | 1.18% | 0.28% | 0.2621 | 0.7934 | |
| 3/20/2007 | 38.01 | 1.12% | 0.66% | 0.00% | 0.13% | 0.43% | 0.52% | 0.59% | 0.5573 | 0.5778 | |
| 3/21/2007 | 38.13 | 0.32% | 1.66% | -0.14% | -0.15% | 1.29% | 1.32% | -1.01% | -0.9426 | 0.3468 | |
| 3/22/2007 | 37.98 | -0.39% | -0.03% | 0.12% | -0.19% | -0.21% | -0.09% | -0.31% | -0.2869 | 0.7744 | |
| 3/23/2007 | 38.15 | 0.45% | 0.15% | 0.04% | 0.16% | 0.43% | 0.31% | 0.14% | 0.1337 | 0.8938 | |
| 3/26/2007 | 38.39 | 0.63% | 0.04% | -0.07% | -0.07% | 0.37% | 0.21% | 0.42% | 0.3968 | 0.6918 | |
| 3/27/2007 | 38.07 | -0.83% | -0.59% | -0.18% | 0.06% | -0.89% | -0.65% | -0.18% | -0.1678 | 0.8669 | |
| 3/28/2007 | 37.60 | -1.23% | -0.72% | 0.22% | 0.04% | -0.82% | -0.64% | -0.59% | -0.5564 | 0.5784 | |
| 3/29/2007 | 37.63 | 0.08% | 0.33% | -0.18% | 0.21% | 0.90% | 0.59% | -0.51% | -0.4755 | 0.6348 | |
| 3/30/2007 | 37.58 | -0.13% | -0.06% | 0.25% | -0.07% | -0.26% | -0.10% | -0.03% | -0.0290 | 0.9769 | |
| 4/2/2007 | 39.41 | 4.87% | 0.28% | 0.01% | 0.09% | 1.27% | 0.74% | 4.13% | 3.8679 | 0.0001 | *** |
| 4/3/2007 | 39.69 | 0.71% | 0.87% | 0.02% | -0.15% | 1.13% | 0.92% | -0.21% | -0.1942 | 0.8462 | |
| 4/4/2007 | 39.79 | 0.25% | 0.13% | -0.18% | -0.22% | -0.07% | 0.02% | 0.23% | 0.2171 | 0.8283 | |
| 4/5/2007 | 39.67 | -0.30% | 0.34% | -0.01% | -0.03% | -0.35% | 0.01% | -0.31% | -0.2914 | 0.7710 | |
| 4/9/2007 | 39.99 | 0.81% | 0.04% | -0.26% | 0.22% | 0.17% | 0.11% | 0.69% | 0.6494 | 0.5167 | |
| 4/10/2007 | 39.84 | -0.38% | 0.25% | 0.06% | 0.07% | -0.36% | -0.02% | -0.35% | -0.3304 | 0.7414 | |
| 4/11/2007 | 39.46 | -0.95% | -0.61% | -0.08% | 0.08% | -0.20% | -0.33% | -0.62% | -0.5837 | 0.5600 | |
| 4/12/2007 | 39.30 | -0.41% | 0.62% | 0.17% | -0.09% | 0.91% | 0.73% | -1.13% | -1.0625 | 0.2890 | |
| 4/13/2007 | 39.44 | 0.36% | 0.35% | 0.22% | -0.11% | 0.31% | 0.33% | 0.02% | 0.0209 | 0.9834 | |
| 4/16/2007 | 40.19 | 1.90% | 1.03% | 0.26% | -0.04% | 1.71% | 1.29% | 0.61% | 0.5754 | 0.5655 | |
| 4/17/2007 | 40.14 | -0.12% | 0.08% | -0.39% | -0.11% | -0.28% | -0.11% | -0.01% | -0.0125 | 0.9901 | |
| 4/18/2007 | 39.61 | -1.32% | 0.01% | -0.63% | 0.33% | -0.74% | -0.35% | -0.97% | -0.9103 | 0.3635 | |
| 4/19/2007 | 39.73 | 0.30% | -0.30% | -0.34% | -0.06% | 0.18% | -0.05% | 0.36% | 0.3355 | 0.7375 | |
| 4/20/2007 | 43.04 | 8.33% | 0.91% | 0.13% | 0.07% | 1.22% | 1.01% | 7.33% | 6.8681 | 0.0000 | *** |
| 4/23/2007 | 42.09 | -2.21% | -0.20% | 0.06% | -0.16% | -0.72% | -0.40% | -1.81% | -1.6936 | 0.0916 | * |
| 4/24/2007 | 42.12 | 0.07% | -0.10% | -0.05% | -0.26% | -1.47% | -0.72% | 0.79% | 0.7426 | 0.4584 | |
| 4/25/2007 | 42.57 | 1.07% | 0.93% | -0.33% | 0.23% | 2.00% | 1.35% | -0.28% | -0.2595 | 0.7955 | |
| 4/26/2007 | 42.56 | -0.02% | -0.08% | 0.29% | -0.34% | 0.17% | 0.07% | -0.10% | -0.0907 | 0.9278 | |
| 4/27/2007 | 42.29 | -0.63% | -0.10% | -0.27% | -0.38% | -0.49% | -0.30% | -0.34% | -0.3166 | 0.7518 | |
| 4/30/2007 | 42.64 | 0.83% | -0.95% | -0.80% | -0.03% | -1.24% | -1.04% | 1.87% | 1.7486 | 0.0816 | * |

Exhibit F

Sonoco Products Co.

Regression Results for the Modified Fama-French Model Including the S&P500 Industry Index as an Explanatory Variable

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| Calculation of the Abnormal Return | | | | | | | | | | | |
|------------------------------------|-----------|---------------|--------|--------|--------|----------------|----------------------------------|-----------------|-------------|---------|--------------------|
| Regression Input | | | | | | | Modified FFM: Custom Index Added | | | | |
| Date | SON Price | Actual Return | Mkt-RF | SMB | HML | Industry Index | Predicted Return | Abnormal Return | t-statistic | p-value | Sig ^[1] |
| 5/1/2007 | 42.98 | 0.80% | 0.16% | -0.09% | 0.04% | 0.63% | 0.38% | 0.41% | 0.3883 | 0.6981 | |
| 5/2/2007 | 42.88 | -0.23% | 0.81% | 0.53% | -0.06% | 0.40% | 0.61% | -0.84% | -0.7889 | 0.4309 | |
| 5/3/2007 | 42.40 | -1.12% | 0.37% | -0.34% | 0.29% | 0.05% | 0.20% | -1.32% | -1.2354 | 0.2178 | |
| 5/4/2007 | 42.55 | 0.35% | 0.27% | 0.13% | 0.01% | 0.40% | 0.34% | 0.01% | 0.0114 | 0.9909 | |
| 5/7/2007 | 43.16 | 1.43% | 0.24% | -0.34% | 0.33% | 0.24% | 0.23% | 1.20% | 1.1245 | 0.2619 | |
| 5/8/2007 | 43.10 | -0.14% | -0.16% | -0.04% | -0.03% | -0.35% | -0.21% | 0.07% | 0.0655 | 0.9478 | |
| 5/9/2007 | 43.54 | 1.02% | 0.35% | 0.06% | -0.10% | 1.22% | 0.75% | 0.27% | 0.2576 | 0.7969 | |
| 5/10/2007 | 42.79 | -1.72% | -1.39% | -0.39% | 0.21% | -1.65% | -1.37% | -0.36% | -0.3347 | 0.7382 | |
| 5/11/2007 | 43.03 | 0.56% | 1.02% | 0.10% | 0.13% | 1.59% | 1.23% | -0.66% | -0.6232 | 0.5337 | |
| 5/14/2007 | 43.33 | 0.70% | -0.29% | -0.59% | 0.15% | -0.19% | -0.23% | 0.93% | 0.8715 | 0.3843 | |
| 5/15/2007 | 43.17 | -0.37% | -0.20% | -0.75% | 0.32% | 0.71% | 0.22% | -0.59% | -0.5517 | 0.5816 | |
| 5/16/2007 | 43.27 | 0.23% | 0.72% | -0.22% | 0.05% | -0.36% | 0.15% | 0.08% | 0.0731 | 0.9418 | |
| 5/17/2007 | 42.99 | -0.65% | -0.07% | -0.33% | 0.06% | -0.15% | -0.10% | -0.55% | -0.5145 | 0.6074 | |
| 5/18/2007 | 43.14 | 0.35% | 0.66% | 0.32% | -0.39% | 0.65% | 0.62% | -0.27% | -0.2504 | 0.8025 | |
| 5/21/2007 | 43.20 | 0.14% | 0.30% | 0.85% | -0.26% | 0.13% | 0.28% | -0.14% | -0.1292 | 0.8973 | |
| 5/22/2007 | 43.21 | 0.02% | 0.07% | 0.66% | -0.18% | 0.02% | 0.12% | -0.09% | -0.0864 | 0.9312 | |
| 5/23/2007 | 42.84 | -0.86% | -0.11% | -0.20% | -0.21% | -1.03% | -0.53% | -0.33% | -0.3052 | 0.7605 | |
| 5/24/2007 | 42.44 | -0.93% | -1.15% | -0.31% | -0.14% | -1.24% | -1.09% | 0.15% | 0.1425 | 0.8868 | |
| 5/25/2007 | 43.17 | 1.72% | 0.62% | 0.17% | -0.02% | 0.72% | 0.64% | 1.08% | 1.0084 | 0.3142 | |
| 5/29/2007 | 43.46 | 0.67% | 0.29% | 0.55% | -0.05% | -0.24% | 0.09% | 0.58% | 0.5451 | 0.5862 | |
| 5/30/2007 | 43.78 | 0.74% | 0.80% | -0.28% | 0.10% | 0.65% | 0.65% | 0.08% | 0.0773 | 0.9384 | |
| 5/31/2007 | 43.30 | -1.10% | 0.14% | 0.29% | -0.31% | 0.80% | 0.46% | -1.56% | -1.4618 | 0.1451 | |
| 6/1/2007 | 43.83 | 1.22% | 0.49% | 0.33% | -0.01% | 0.44% | 0.47% | 0.75% | 0.7029 | 0.4828 | |
| 6/4/2007 | 44.89 | 2.42% | 0.19% | 0.03% | 0.03% | -0.12% | 0.06% | 2.36% | 2.2128 | 0.0278 | ** |
| 6/5/2007 | 44.64 | -0.56% | -0.55% | -0.07% | -0.23% | -0.90% | -0.65% | 0.10% | 0.0891 | 0.9291 | |
| 6/6/2007 | 44.00 | -1.43% | -0.95% | 0.13% | 0.01% | -1.61% | -1.12% | -0.32% | -0.2957 | 0.7677 | |
| 6/7/2007 | 43.14 | -1.95% | -1.83% | 0.10% | -0.09% | -2.38% | -1.87% | -0.09% | -0.0832 | 0.9337 | |
| 6/8/2007 | 43.73 | 1.37% | 1.06% | -0.11% | 0.01% | 0.89% | 0.89% | 0.48% | 0.4504 | 0.6528 | |
| 6/11/2007 | 43.48 | -0.57% | 0.09% | -0.27% | 0.10% | -0.50% | -0.19% | -0.38% | -0.3601 | 0.7191 | |
| 6/12/2007 | 42.93 | -1.26% | -1.10% | -0.09% | -0.18% | -0.90% | -0.89% | -0.38% | -0.3520 | 0.7251 | |
| 6/13/2007 | 43.14 | 0.49% | 1.40% | -0.29% | -0.06% | 1.78% | 1.43% | -0.94% | -0.8808 | 0.3793 | |
| 6/14/2007 | 43.30 | 0.37% | 0.52% | 0.04% | 0.04% | 0.59% | 0.53% | -0.16% | -0.1531 | 0.8785 | |
| 6/15/2007 | 43.49 | 0.44% | 0.72% | 0.42% | 0.01% | 0.67% | 0.69% | -0.25% | -0.2345 | 0.8148 | |
| 6/18/2007 | 43.70 | 0.48% | -0.11% | 0.02% | -0.12% | 0.18% | 0.06% | 0.43% | 0.3997 | 0.6898 | |
| 6/19/2007 | 43.49 | -0.48% | 0.16% | -0.01% | 0.11% | 0.16% | 0.18% | -0.66% | -0.6166 | 0.5381 | |
| 6/20/2007 | 43.47 | -0.05% | -1.29% | 0.17% | -0.28% | -0.55% | -0.79% | 0.75% | 0.6989 | 0.4853 | |
| 6/21/2007 | 43.50 | 0.07% | 0.52% | -0.21% | 0.05% | 0.69% | 0.56% | -0.49% | -0.4571 | 0.6480 | |
| 6/22/2007 | 42.96 | -1.24% | -1.09% | 0.63% | -0.02% | -0.80% | -0.76% | -0.48% | -0.4540 | 0.6502 | |
| 6/25/2007 | 42.70 | -0.61% | -0.50% | -0.34% | -0.05% | -0.74% | -0.57% | -0.03% | -0.0322 | 0.9743 | |
| 6/26/2007 | 42.55 | -0.35% | -0.42% | 0.17% | -0.41% | -1.47% | -0.85% | 0.50% | 0.4664 | 0.6413 | |
| 6/27/2007 | 42.48 | -0.16% | 0.91% | 0.33% | -0.23% | 0.42% | 0.63% | -0.80% | -0.7469 | 0.4558 | |
| 6/28/2007 | 42.85 | 0.87% | 0.05% | 0.12% | 0.15% | 0.14% | 0.13% | 0.74% | 0.6909 | 0.4903 | |
| 6/29/2007 | 42.81 | -0.09% | -0.09% | -0.34% | 0.20% | 0.48% | 0.19% | -0.29% | -0.2680 | 0.7889 | |
| 7/2/2007 | 43.03 | 0.51% | 1.12% | -0.08% | 0.11% | 1.25% | 1.09% | -0.58% | -0.5422 | 0.5882 | |
| 7/3/2007 | 43.00 | -0.07% | 0.33% | -0.04% | -0.12% | 0.16% | 0.23% | -0.30% | -0.2805 | 0.7793 | |
| 7/5/2007 | 43.61 | 1.42% | 0.10% | 0.16% | -0.52% | 1.17% | 0.60% | 0.82% | 0.7718 | 0.4410 | |
| 7/6/2007 | 43.74 | 0.30% | 0.43% | -0.07% | -0.14% | 0.10% | 0.24% | 0.05% | 0.0508 | 0.9595 | |
| 7/9/2007 | 43.56 | -0.41% | 0.14% | 0.02% | 0.03% | -1.16% | -0.45% | 0.04% | 0.0343 | 0.9726 | |
| 7/10/2007 | 42.70 | -1.97% | -1.38% | -0.16% | -0.34% | -1.31% | -1.22% | -0.76% | -0.7098 | 0.4785 | |
| 7/11/2007 | 43.89 | 2.79% | 0.49% | -0.28% | -0.10% | 1.73% | 1.01% | 1.78% | 1.6684 | 0.0965 | * |
| 7/12/2007 | 44.13 | 0.55% | 1.73% | -0.18% | -0.30% | 1.46% | 1.42% | -0.87% | -0.8169 | 0.4148 | |
| 7/13/2007 | 44.40 | 0.61% | 0.30% | -0.31% | 0.13% | -0.18% | 0.05% | 0.56% | 0.5260 | 0.5994 | |
| 7/16/2007 | 43.87 | -1.19% | -0.32% | -0.47% | -0.31% | -1.58% | -0.91% | -0.28% | -0.2648 | 0.7914 | |
| 7/17/2007 | 43.80 | -0.16% | -0.03% | 0.15% | -0.14% | 0.34% | 0.18% | -0.34% | -0.3154 | 0.7527 | |
| 7/18/2007 | 44.20 | 0.91% | -0.17% | -0.24% | 0.08% | -0.06% | -0.09% | 1.00% | 0.9414 | 0.3474 | |
| 7/19/2007 | 44.30 | 0.23% | 0.47% | 0.29% | -0.43% | 0.44% | 0.43% | -0.21% | -0.1946 | 0.8459 | |
| 7/20/2007 | 38.00 | -14.22% | -1.19% | -0.29% | -0.18% | -2.28% | -1.59% | -12.63% | -11.8422 | 0.0000 | *** |

Exhibit F

Sonoco Products Co.

Regression Results for the Modified Fama-French Model Including the S&P500 Industry Index as an Explanatory Variable

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| Calculation of the Abnormal Return | | | | | | | | | | | |
|------------------------------------|-----------|---------------|--------|--------|--------|----------------|----------------------------------|-----------------|-------------|---------|--------------------|
| Regression Input | | | | | | | Modified FFM: Custom Index Added | | | | |
| Date | SON Price | Actual Return | Mkt-RF | SMB | HML | Industry Index | Predicted Return | Abnormal Return | t-statistic | p-value | Sig ⁽¹⁾ |
| 7/23/2007 | 38.93 | 2.45% | 0.29% | -0.43% | -0.34% | 0.63% | 0.38% | 2.07% | 1.9376 | 0.0538 | * |
| 7/24/2007 | 38.46 | -1.21% | -2.03% | -0.49% | -0.30% | 0.21% | -0.82% | -0.39% | -0.3646 | 0.7157 | |
| 7/25/2007 | 38.57 | 0.29% | 0.25% | -0.36% | 0.02% | -1.42% | -0.56% | 0.84% | 0.7918 | 0.4292 | |
| 7/26/2007 | 37.44 | -2.93% | -2.40% | 0.02% | -0.37% | -4.53% | -3.14% | 0.21% | 0.1981 | 0.8431 | |
| 7/27/2007 | 37.39 | -0.13% | -1.49% | -0.04% | 0.10% | -1.10% | -1.13% | 0.99% | 0.9322 | 0.3521 | |
| 7/30/2007 | 37.01 | -1.02% | 0.91% | -0.23% | -0.09% | 1.85% | 1.25% | -2.27% | -2.1262 | 0.0345 | ** |
| 7/31/2007 | 36.67 | -0.92% | -1.03% | 0.30% | 0.07% | -2.14% | -1.38% | 0.46% | 0.4318 | 0.6663 | |
| 8/1/2007 | 36.63 | -0.11% | 0.39% | -0.52% | -0.12% | -0.50% | -0.09% | -0.02% | -0.0153 | 0.9878 | |
| 8/2/2007 | 36.52 | -0.30% | 0.58% | 0.11% | -0.45% | -0.93% | -0.17% | -0.13% | -0.1179 | 0.9062 | |
| 8/3/2007 | 34.91 | -4.41% | -2.61% | -0.67% | -0.60% | -3.61% | -2.89% | -1.52% | -1.4274 | 0.1547 | |
| 8/6/2007 | 35.42 | 1.46% | 1.79% | -1.11% | -0.53% | 2.09% | 1.63% | -0.17% | -0.1610 | 0.8722 | |
| 8/7/2007 | 34.85 | -1.61% | 0.64% | 0.27% | -0.44% | -1.13% | -0.23% | -1.38% | -1.2951 | 0.1965 | |
| 8/8/2007 | 34.09 | -2.18% | 1.54% | 1.21% | -0.71% | 2.25% | 1.81% | -3.99% | -3.7374 | 0.0002 | *** |
| 8/9/2007 | 33.64 | -1.32% | -2.71% | 1.62% | -0.42% | -3.21% | -2.51% | 1.19% | 1.1202 | 0.2637 | |
| 8/10/2007 | 36.89 | 9.66% | -0.07% | 0.08% | 1.18% | 3.43% | 1.68% | 7.98% | 7.4840 | 0.0000 | *** |
| 8/13/2007 | 35.63 | -3.42% | -0.08% | -1.17% | 0.46% | 1.61% | 0.66% | -4.08% | -3.8229 | 0.0002 | *** |
| 8/14/2007 | 34.95 | -1.91% | -1.93% | -0.05% | -0.21% | -2.48% | -1.98% | 0.07% | 0.0686 | 0.9453 | |
| 8/15/2007 | 33.31 | -4.69% | -1.58% | 0.06% | -0.15% | -3.41% | -2.25% | -2.45% | -2.2930 | 0.0227 | ** |
| 8/16/2007 | 33.59 | 0.84% | 0.17% | 1.36% | 0.68% | -0.34% | 0.12% | 0.72% | 0.6769 | 0.4991 | |
| 8/17/2007 | 34.41 | 2.44% | 2.42% | -0.42% | 0.21% | 2.75% | 2.33% | 0.11% | 0.1074 | 0.9145 | |
| 8/20/2007 | 34.64 | 0.67% | 0.14% | 0.12% | -0.23% | 0.57% | 0.35% | 0.32% | 0.2988 | 0.7654 | |
| 8/21/2007 | 34.53 | -0.32% | 0.20% | -0.05% | -0.03% | 0.04% | 0.13% | -0.44% | -0.4163 | 0.6776 | |
| 8/22/2007 | 34.59 | 0.17% | 1.28% | 0.02% | 0.02% | 2.33% | 1.67% | -1.49% | -1.3984 | 0.1633 | |
| 8/23/2007 | 34.37 | -0.64% | -0.18% | -0.98% | 0.27% | -0.63% | -0.42% | -0.22% | -0.2052 | 0.8376 | |
| 8/24/2007 | 34.63 | 0.76% | 1.22% | 0.09% | -0.22% | 0.53% | 0.79% | -0.04% | -0.0335 | 0.9733 | |
| 8/27/2007 | 34.41 | -0.64% | -0.85% | -0.07% | -0.20% | -1.44% | -1.03% | 0.40% | 0.3718 | 0.7103 | |
| 8/28/2007 | 34.09 | -0.93% | -2.36% | -0.09% | -0.29% | -3.03% | -2.43% | 1.50% | 1.4062 | 0.1609 | |
| 8/29/2007 | 34.76 | 1.97% | 2.16% | 0.11% | 0.01% | 1.83% | 1.82% | 0.14% | 0.1317 | 0.8953 | |
| 8/30/2007 | 35.10 | 0.98% | -0.40% | -0.02% | -0.47% | -0.10% | -0.23% | 1.21% | 1.1305 | 0.2594 | |
| 8/31/2007 | 36.02 | 2.62% | 1.21% | 0.04% | -0.12% | 1.20% | 1.10% | 1.52% | 1.4229 | 0.1560 | |
| 9/4/2007 | 36.02 | 0.00% | 1.09% | -0.26% | 0.07% | -0.37% | 0.31% | -0.31% | -0.2888 | 0.7730 | |
| 9/5/2007 | 34.86 | -3.22% | -1.03% | 0.00% | -0.28% | -1.46% | -1.12% | -2.11% | -1.9734 | 0.0496 | ** |
| 9/6/2007 | 34.94 | 0.23% | 0.43% | -0.07% | -0.14% | 0.39% | 0.38% | -0.15% | -0.1381 | 0.8903 | |
| 9/7/2007 | 34.66 | -0.80% | -1.64% | -0.25% | 0.19% | -1.43% | -1.36% | 0.56% | 0.5215 | 0.6025 | |
| 9/10/2007 | 33.14 | -4.39% | -0.31% | -0.50% | -0.16% | -2.25% | -1.21% | -3.17% | -2.9763 | 0.0032 | *** |
| 9/11/2007 | 33.80 | 1.99% | 1.34% | 0.03% | -0.42% | 0.64% | 0.88% | 1.12% | 1.0460 | 0.2966 | |
| 9/12/2007 | 33.68 | -0.36% | 0.01% | -0.44% | -0.15% | -0.21% | -0.12% | -0.24% | -0.2217 | 0.8247 | |
| 9/13/2007 | 33.63 | -0.15% | 0.72% | -0.67% | 0.15% | 0.88% | 0.70% | -0.84% | -0.7909 | 0.4298 | |
| 9/14/2007 | 33.56 | -0.21% | 0.11% | 0.31% | -0.09% | 0.09% | 0.14% | -0.35% | -0.3252 | 0.7453 | |
| 9/17/2007 | 33.20 | -1.07% | -0.60% | -0.43% | 0.00% | -0.60% | -0.55% | -0.52% | -0.4892 | 0.6251 | |
| 9/18/2007 | 30.78 | -7.29% | 2.91% | 0.57% | 0.13% | 3.74% | 3.09% | -10.37% | -9.7262 | 0.0000 | *** |

Note:

^[1] ***, **, * indicate significance at the 1%, 5% and 10% levels based on a two-tailed test.

Source: Bloomberg L.P.

Exhibit G

Sonoco Products Company - Put-Call Parity Violation in 2007

Panel A. "Failure is an Option" Method ^{[1][2]}

| Month | Average Put-Call Parity Violation ^[3] | Average Absolute Put-Call Parity Violation ^[3] | Average Put-Call Parity Violation (Near the Money) ^{[3][4]} | Average Absolute Put-Call Parity Violation (Near the Money) ^{[3][4]} |
|--|---|--|--|---|
| February | 0.093% | 0.335% | N/A | N/A |
| March | -0.091% | 0.322% | N/A | N/A |
| April | 0.160% | 0.276% | 0.116% | 0.327% |
| May | 0.169% | 0.329% | N/A | N/A |
| June | -0.104% | 0.201% | -0.047% | 0.196% |
| July | 0.050% | 0.346% | N/A | N/A |
| August | -0.207% | 0.559% | -0.043% | 0.299% |
| September | -0.499% | 0.514% | -0.289% | 0.355% |
| Class Period | -0.071% | 0.390% | -0.017% | 0.308% |
| Number of Observations | 632 | 632 | 55 | 55 |
| Number of Contracts^[7] | 2,127 | 2,127 | 440 | 440 |

Panel B. "Limited Arbitrage and Short Sales Restrictions" Approach ^{[5][6]}

| Month | Average Put-Call Parity Violation ("R") ^[3] | Average Absolute Put-Call Parity Violation ("R") ^[3] | Average Put-Call Parity Violation ("R") (Near the Money) ^{[3][4]} | Average Absolute Put-Call Parity Violation ("R") (Near the Money) ^{[3][4]} |
|--|---|--|--|---|
| February | 0.094 | 0.335 | N/A | N/A |
| March | -0.091 | 0.322 | N/A | N/A |
| April | 0.161 | 0.277 | 0.116 | 0.327 |
| May | 0.170 | 0.329 | N/A | N/A |
| June | -0.104 | 0.201 | -0.047 | 0.196 |
| July | 0.052 | 0.345 | N/A | N/A |
| August | -0.205 | 0.558 | -0.042 | 0.298 |
| September | -0.497 | 0.512 | -0.288 | 0.354 |
| Class Period | -0.070 | 0.390 | -0.017 | 0.308 |
| Number of Observations | 632 | 632 | 55 | 55 |
| Number of Contracts^[7] | 2,127 | 2,127 | 440 | 440 |

Notes:

^[1] Put-Call Parity Violation = { Stock Price - [Present Value of the Strike Price + Present Value of the Dividend + Call Price - Put Price]} / Stock price.

^[2] Evans, Richard B., Christopher C. Gezvy, David K. Musto, and Adam V. Reed, "Failure is an Option: Impediments to Short Selling and Option Prices," 22 (5) *Review of Financial Studies*, 2009, pages 1955-1980.

^[3] Calls and Puts are matched based on strike price and expiration date. Options with less than 6 calendar days to maturity or greater than 180 calendar days to maturity and options with a price less than \$0.375 are deleted. Call Price and Put Price are equal to the average of the best bid and best ask quotes.

^[4] Sample is restricted to those pairs for which $-0.1 < \ln(\text{Stock Price}/\text{Strike Price}) < 0.1$.

^[5] Put-Call Parity Violation ("R") = $100 * \ln \{ \text{Stock Price} / [\text{Present Value of the Strike Price} + \text{Present Value of the Dividend} + \text{Call Price} - \text{Put Price}] \}$.

^[6] Eli Ofek, Matthew P. Richardson, and Robert F. Whitelaw, "Limited Arbitrage and Short Sales Restrictions: Evidence from the Options Markets, 74 *Journal of Financial Economics*, 2004, pages 305-342.

^[7] Total number of put and call contracts. Market makers change their bid and ask quotes each time the underlying stock price changes. Consequently, there are bid and ask quotes regardless of the number of contracts traded each day. Bid and ask quotes come from the NBBO data (National Best Bid and Offer).

Exhibit H**Sonoco Products Company****Short Interest During Class Period ^[1]**

| Date ^[2] | Sonoco Short Interest | | | NYSE Short Interest |
|----------------------------|--------------------------------------|--|---|--|
| | Short Interest ^[2] | Shares Outstanding ^[3] | Short Interest as a Percentage of Shares Outstanding | Short Interest as a Percentage of Shares Outstanding ^[4] |
| 2/15/2007 | 799,091 | 99,745,007 | 0.801% | 2.600% |
| 3/15/2007 | 1,523,664 | 99,500,418 | 1.531% | 2.800% |
| 4/13/2007 | 1,662,757 | 99,500,418 | 1.671% | 2.900% |
| 5/15/2007 | 1,409,126 | 100,003,445 | 1.409% | 3.100% |
| 6/15/2007 | 1,474,786 | 100,003,445 | 1.475% | 3.300% |
| 7/13/2007 | 1,172,395 | 100,003,445 | 1.172% | 3.400% |
| 8/15/2007 | 480,505 | 100,919,886 | 0.476% | 3.300% |
| 9/14/2007 | 616,610 | 100,919,886 | 0.611% | 3.100% |

Notes:

^[1] The Class Period is from February 7, 2007 to September 18, 2007.

^[2] Short Interest as reported by Bloomberg L.P.

^[3] Shares outstanding reported in 10-Q and 10-K filings.

^[4] NYSE Exchange US Short Interest as a % of Total Shares Outstanding ("NYSIPRTS Index"). The index represents the short interest data around the 15th of the month for the current month and is later revised around the 6th of the next month.

Sources: Bloomberg L.P. and 10-K Wizard.

Exhibit I
Sonoco Products Company
Non-Parametric Tests for Randon Walk During Class Period

Panel A. McNemar Test

| Class Period | +,+ (a) | +,- (b) | -,+ (c) | ,- (d) |
|---------------------|----------------|----------------|----------------|---------------|
| 2/7/07 - 9/18/07 | 29 | 41 | 41 | 42 |

$$McNemar\ Statistic\ (X^2) = \frac{(|b - c| - 1)^2}{b + c}$$

$$X^2^{[5]} = 0.0122$$

$$p\text{-value}^{[6]} = 0.9121$$

Panel B. Wilcoxon Signed-Rank Test^[7]

| Class Period | t-statistic ^[8] | p-value ^[9] |
|---------------------|-----------------------------------|-------------------------------|
| 2/7/07 - 9/18/07 | 0.5761 | 0.5645 |

Notes:

^[1] Total number of observations in which a positive stock return is followed by a positive stock return the following day.

^[2] Total number of observations in which a positive stock return is followed by a negative stock return the following day.

^[3] Total number of observations in which a negative stock return is followed by a positive stock return the following day.

^[4] Total number of observations in which a negative stock return is followed by a negative stock return the following day.

^[5] X^2 is a chi-square statistic with 1 degree of freedom. The formula is rewritten to correct for discontinuity.

^[6] Based on a two-tailed test.

^[7] Wilcoxon signed-rank test on differences between consecutive stock returns during the Class Period.

^[8] The Wilcoxon t-statistic correcting for both continuity and ties.

^[9] The p-value for the asymptotic normal approximation to the Wilcoxon t-statistic.

Source: Bloomberg L.P.

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Dr. Finnerty is Professor of Finance and the former Director of the Master of Science in Quantitative Finance Program at Fordham University's Graduate School of Business Administration. He teaches corporate finance, investment banking, fixed income securities, fixed income portfolio management, and bankruptcy restructuring. He also specializes in business valuation, securities valuation, derivatives valuation, solvency analysis, calculation of damages, and litigation support for matters involving valuation disputes, securities fraud, solvency, fairness, breach of contract, breach of fiduciary duty, commercial disputes, and employment disputes involving the valuation of employee stock options. He has testified as an expert in valuation, broker raiding, and securities and other financial matters in federal and state court and in arbitration and mediation proceedings. He has also testified as an expert in bankruptcy court concerning the fairness of proposed plans of reorganization.

Dr. Finnerty has published thirteen books, including *Corporate Financial Management*, 3rd ed., *Project Financing: Asset-Based Financial Engineering*, 2nd ed., *Principles of Financial Management*, and *Debt Management*, and more than 90 articles and professional papers in corporate finance, business and securities valuation, and other areas of finance. His writings and teaching have focused on the analysis and valuation of securities, especially fixed income instruments and complex derivative products, and mortgage-backed and other asset-backed securities. Dr. Finnerty is an editor of *FMA Online*, a member of the editorial boards of two other finance journals, and a former editor of *Financial Management*.

Dr. Finnerty worked for more than 20 years as an investment banker. He worked on more than 50 public and private financings, and served as financial advisor in connection with several mergers and several project financings.

Dr. Finnerty is the Chair of the Trustees and a past President and Director of the Eastern Finance Association, a past President and Director of the Fixed Income Analysts Society, and a former Director of the Financial Management Association International. He served as Vice President – Program for the 2006 annual meeting of the Eastern Finance Association. He also served as a member of FASB's Option Valuation Group in connection with the revision of FAS 123.

Appendix A

EDUCATION

| | |
|------|--|
| 1977 | Ph.D. in Operations Research, Naval Postgraduate School |
| 1973 | B.A. and M.A. in Economics, Cambridge University; Marshall Scholar |
| 1971 | A.B. in Mathematics, Williams College; magna cum laude with highest honors in Mathematics; Rice Prize in Mathematics; Phi Beta Kappa |

ACADEMIC EXPERIENCE

| | |
|----------------|---|
| 1987 - Present | Fordham University Graduate School of Business Administration, New York, NY Professor of Finance and former Director of the Master of Science in Quantitative Finance Program. Received tenure in September 1991. Gladys and Henry Crown Award for Faculty Excellence, 1997. |
| 1976 - 1977 | Naval Postgraduate School, Monterey, CA Adjunct Professor, Department of Administrative Sciences |
| 1973 - 1976 | United States Naval Reserve Instructor, Naval Postgraduate School. Promoted to Lieutenant, USNR. |

BUSINESS EXPERIENCE

| | |
|----------------|--|
| 2003 – Present | Finnerty Economic Consulting, LLC, New York, NY Managing Principal |
| 2001 - 2003 | Analysis Group, Inc., New York, NY Managing Principal |
| 1997 - 2001 | PricewaterhouseCoopers, LLP, New York, NY Partner, Financial Advisory Services Group Dispute Analysis & Investigations securities litigation practice |
| 1995 - 1997 | Houlihan Lokey Howard & Zukin, New York, NY Director |
| 1989 - 1995 | McFarland Dewey & Co., New York, NY General Partner |
| 1986 - 1989 | College Savings Bank, Princeton, NJ Executive Vice President, Chief Financial Officer, Treasurer, Secretary, and Director |

Appendix A

1982 - 1986 **Lazard Frères & Company, New York, NY**
Vice President, Corporate Finance Department

1977 - 1982 **Morgan Stanley & Co. Inc., New York, NY**
Associate, Corporate Finance Department

PROFESSIONAL ASSOCIATIONS

President, Eastern Finance Association (2007-2008) and Director (2005-Present)
President, Fixed Income Analysts Society (2006-2007), and Director (2001- Present)
Editor, FMA Online (2001 - Present)
Editor, *Financial Management* (1993-1999)
Associate Editor, *Journal of Derivatives Accounting* (2003-Present)
Associate Editor, *Journal of Applied Finance* (2000 - 2007)
Member, Advisory Boards, *The Financier* and *Journal of Portfolio Management* (1995 - Present)
Director, Financial Management Association (1991-1999, 2005-2007)
Associate Editor, *Journal of Financial Engineering* (1992-1999)

OTHER ACTIVITIES

Leadership Giving Co-Chair, Williams College Class of 1971
Co-chairman, New Jersey Special Gifts Program, Williams College Third Century Campaign
Member, Special Gifts Committee, New York City Area for Williams College Third Century Campaign
Vice Chairman, Williams College Class of 1971 25th Reunion Gift Committee

AWARDS

Marshall Scholar, 1971
Gladys and Henry Crown Award for Faculty Excellence, Fordham Business School, 1997
Best Investments Paper, Southern Finance Association, 2001
Best Corporate Finance Paper, Southern Finance Association, 2006
Bene Merenti Medal, Fordham University, 2007

Appendix A**EXPERT TESTIMONY IN LAST FOUR YEARS**

| <i>Client</i> | <i>Case</i> | <i>Description of Testimony</i> |
|---|---|---|
| Satterlee Stephens Burke & Burke Law Offices of Lawrence S. Leibowitz | Baird, Patrick & Co. v. Maxcor Financial et al. NASD Arbitration Case No. 03-07325 | Prepared an expert report concerning the lost profits damages in a broker raiding case. Testified at arbitration. |
| Kaplan & Levenson | McCabe, et al. v. Ernst & Young, LLP, et al. U.S. District Court for the District of New Jersey Case No. 01-CIV-5747(WHW) | Prepared an expert report and a rebuttal report concerning the damages experienced by selling shareholders in a post-merger dispute. Testified at deposition. |
| Weil, Gotshal & Manges | G-I Holdings, Inc. et al. v. Ruddles A. Bennett, Jr., et al. U.S. District Court for the District of New Jersey Adversary Proceeding No. 01-3066 | Prepared two expert reports concerning the financial impact of a corporate restructuring. Testified at deposition. |
| Debevoise & Plimpton | WellPoint Health Networks Inc. and UNICARE Life & Health Insurance Company v. John Hancock Life Insurance Company Arbitration | Prepared an expert report concerning the financial impact of an acquisition. Testified at deposition and at arbitration. |
| Jones Day | MC Asset Recovery v. Southern Company U.S. District Court for the Northern District of Georgia, Atlanta Division Civil Action No. 1:06-CV-0417-BBM | Prepared an expert report concerning the satisfaction of the claims of the unsecured creditors in the bankruptcy of Mirant Corporation and testified at deposition. |
| Wollmuth Maher & Deutsch | State of Arkansas Teacher Retirement System v. Merrill Lynch, et al. District Court, 193rd Judicial District, Dallas County, Texas, Cause No. 04-06699 | Performed damages analysis and rendered opinions concerning the private placement agent's responsibilities and the due diligence process in connection with a securities fraud matter. Testified at deposition. |
| Labaton Sucharow & Rudoff | Richard A. Williamson v. PricewaterhouseCoopers, Supreme Court of the State of New York, Index No. 04-602106 | Analyzed the mispricing of convertible securities and the auditor's failure to detect it. Testified at deposition. |
| Wollmuth Maher & Deutsch | AIG Annuity Insurance Company, et al. v. Sears, Roebuck and Co. District Court, 192nd Judicial District, Dallas County, Texas Cause No. 04-10471 | Analyzed a corporate financial engineering transaction. Testified at deposition. |

Appendix A

| <i>Client</i> | <i>Case</i> | <i>Description of Testimony</i> |
|--|--|---|
| Riker Danzig Scherer Hyland Perretti | John M. Van Deventer et al. v. CS SCF Management Limited et al. Supreme Court of the State of New York Index No. 603151-03 | Valued six businesses and calculated the break-up fees owing to an investment manager due to the early termination of a management contract. Testified at deposition and at trial. |
| Internal Revenue Service | Shell Petroleum v. United States of America U.S. District Court for the Southern District of Texas, Houston Division Index No. H-05-2016 | Provided an expert report concerning auction preferred stock. Testified at deposition and at trial. |
| Air Line Pilots Association | ALPA and U.S. Airways Grievance No. MEC 05-07-01 (Investment Banking Fee) | Testified at an arbitration hearing regarding the customary investment banking fee for an investment bank working on an airline reorganization. |
| Sidley Austin | Jack E. Salmon, Jr. v. KPMG LLP et al. Arbitration | Prepared an expert report concerning lost- compensation damages. Testified at deposition and at arbitration. |
| Wolf Haldenstein Adler Freeman & Herz | Boyce v. Soundview Technology Group U.S. District Court for the Southern District of New York C.A. No. 03 CV 2159 (HB) | Prepared an expert report concerning damages in a breach of contract case. Testified at deposition and at trial. |
| Boies Schiller & Flexner | UBS Securities LLC and UBS Loan Finance LLC v. The Finish Line, Inc., and Genesco, Inc. U.S. District Court for the Southern District of New York C.A. No. 07 Civ. 10382 (LAP) | Performed a solvency analysis for a proposed leveraged acquisition. Testified at deposition. |
| Kirkland & Ellis | In Re: Calpine Corporation, et al. Calpine Corporation v. Rosetta Resources, Inc. U.S. District Court for the Southern District of New York Chapter 11 Case No. 05-60200 (BRL) | Performed a solvency analysis in connection with a fraudulent conveyance action. Testified at deposition. |
| Labaton Sucharow | In re American International Group, Inc. Securities Litigation U.S. District Court for the Southern District of New York Master File No. 04 Civ: 8141 | Performed an analysis of stock and bond market efficiency in connection with lead plaintiff's motion for class certification. Testified at deposition and at trial. |
| U.S. Department of Justice | Taxpayer v. U.S. U.S. Court of Federal Claims Case No. 05-26T | Prepared an expert report analyzing the business purpose of short sale transactions. Testified at deposition. |

Appendix A

| <i>Client</i> | <i>Case</i> | <i>Description of Testimony</i> |
|--|--|---|
| Wilmer Cutler Pickering Hale and Dorr | Boston Company Asset Management v. Remi Browne et al. Superior Court Commonwealth of Massachusetts Civil Action No. 07-3656BLS2 | Prepared an expert report calculating damages in a case alleging breach of fiduciary duty and breach of non-solicitation agreements. Testified at deposition. |
| Jaffe, Raitt, Heuer & Weiss | Oppenheimer v. Citigroup Global Markets et al. NASD Arbitration Case No. 03-02421 | Prepared an expert report concerning the lost profits damages in a broker raiding case. Testified at arbitration. |
| Gibbons Connolly, Bove, Lodge & Hutz | Olson v. Halvorsen et al. Court of Chancery of the State of Delaware Civil Action No. 1884-N | Prepared an expert report, a rebuttal report, and a supplemental report concerning the value of a former partner's economic interests in a hedge fund management company under different damages theories. Testified at deposition and at trial. |
| Fisher & Phillips | RBC Dain Rauscher v. Stephens et al. NYSE Arbitration NYSE Docket No. 2004-016322 | Prepared an expert report concerning the lost profits damages in a broker raiding case. Testified at arbitration. |
| Debevoise & Plimpton Potter Anderson & Corroon | In Re: Appraisal of Metromedia International Group, Inc. Court of Chancery of the State of Delaware Civil Action 3351-CC | Prepared an expert report and a rebuttal report concerning the fair value of an issue of convertible preferred stock for appraisal rights purposes. Testified at deposition and at trial. |
| Giffen & Kaminski | AmTrust Investment Services, Inc., et al. v. Charter One, et al. FINRA Arbitration Case No. 07-02012 | Analyzed damages for alleged breach of contract and testified at arbitration. |
| Coughlin Stoia Geller Rudman & Robbins | Roth v. Aon Corporation et al. U.S. District Court for the Northern District of Illinois Case No. 04-C-6835 | Prepared an expert report analyzing the efficiency of the market for the company's stock, providing an event-study analysis concerning loss causation, and calculating damages in connection with an alleged securities fraud. Testified at deposition. |
| Coughlin Stoia Geller Rudman & Robbins | Eric Silverman v. Motorola, Inc., et al. U.S. District Court for the Northern District of Illinois Case No. 1:07-cv-04507 | Performed an event-study analysis concerning loss causation. Testified at deposition. |
| Carrington, Coleman, Sloman & Blumenthal | Balkrishna Shagrithaya v. Max Martin District Court of Dallas County, Texas, 162 nd Judicial District Case No. 07-15149 | Performed an analysis of the reasonableness of a corporation's retained cash and marketable securities. Testified at deposition and at trial. |
| Hangley Aronchick Segal & Pudlin | Christopher P. Thalacker v. Gerald D. Hoak American Arbitration Association Case No. 13 148 02714 08 | Prepared an expert report concerning hedge funds and the performance of the respondent's investment in the claimant's hedge fund. Testified at the arbitration hearing. |

Appendix A

| <i>Client</i> | <i>Case</i> | <i>Description of Testimony</i> |
|--------------------------------|---|--|
| Labaton Sucharow | Richard A. Williamson, as Successor Liquidating Trustee, v. Kenneth Lipper FINRA Arbitration Case No. 08-03610 | Prepared an expert report concerning the damages resulting from mismarking a convertible securities portfolio over several years. Testified at arbitration. |
| Morris, Manning & Martin | ING USA Annuity and Life et al. v. J.P. Morgan Securities et al. Superior Court of Fulton County, Georgia Civil Action No. 2007CV134590 | Prepared an expert report and a rebuttal report concerning the adequacy of disclosure in private placement offering materials and quantifying the plaintiffs' damages. Testified at deposition. |
| Buchanan Ingersoll & Rooney | Wachovia Securities v. Frank J. Brand et al. FINRA Arbitration Case No. 08-01374 | Prepared an expert report calculating damages in a broker raiding case. Testified at arbitration. |

Appendix A**PUBLICATIONS****Books**

1. John D. Finnerty, An Illustrated Guide to Bond Refunding Analysis. The Financial Analysts Research Foundation, Charlottesville, VA, 1984.
2. John D. Finnerty, Corporate Financial Analysis: A Comprehensive Guide to Real-World Approaches for Financial Managers. McGraw-Hill Book Company, New York, 1986.
 - a) Main Selection: Macmillan's The Executive Program
 - b) Alternate Selection: Prentice-Hall's Books for Accountants
3. John D. Finnerty, Andrew J. Kalotay, and Francis X. Farrell, Jr., The Financial Manager's Guide to Evaluating Bond Refunding Opportunities. Ballinger Publishing Company, Cambridge, MA, 1988.
4. Douglas R. Emery and John D. Finnerty, Principles of Finance with Corporate Applications. West, St. Paul, MN, 1991.
5. John D. Finnerty and Martin S. Fridson, eds., The Yearbook of Fixed Income Investing 1995. Irwin Professional Publishing, Chicago, 1996.
6. John D. Finnerty, Project Financing: Asset-Based Financial Engineering. John Wiley & Sons, New York, 1996.
7. Douglas R. Emery and John D. Finnerty, Corporate Financial Management. Prentice Hall, Upper Saddle River, NJ, 1997.
8. Douglas R. Emery, John D. Finnerty, and John D. Stowe, Principles of Financial Management. Prentice Hall, Upper Saddle River, NJ, 1998.
9. John D. Finnerty and Douglas R. Emery, Debt Management. Harvard Business School Press, Boston, 2001.
10. Douglas R. Emery, John D. Finnerty, and John D. Stowe, Corporate Financial Management, 2nd ed. Prentice Hall, Upper Saddle River, NJ, 2004.
11. Douglas R. Emery, John D. Finnerty, and John D. Stowe, Corporate Financial Management, 3rd ed. Prentice Hall, Upper Saddle River, NJ, 2007.
12. Douglas R. Emery, John D. Finnerty, and John D. Stowe, Corporate Financial Management, Int. ed. Prentice Hall, Upper Saddle River, NJ, 2007.
13. John D. Finnerty, Project Financing: Asset-Based Financial Engineering, 2nd ed. John Wiley & Sons, New York, 2007.

Appendix A**Monographs**

1. John D. Finnerty, "The PricewaterhouseCoopers Credit Derivatives Primer," PricewaterhouseCoopers LLP, New York, 1998.
2. John D. Finnerty, "Structuring Derivative Instruments to Adjust Risk Exposure: The Arithmetic of Financial Instruments," PricewaterhouseCoopers LLP, New York, 1999.
3. John D. Finnerty, "A Comparison of Alternative Models for Valuing Employee Stock Options," Financial Executives Research Foundation, Florham Park, NJ, January 2003.

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